



City of Gothenburg Annual Report 2024

Sustainable city – open to the world



**City of
Gothenburg**

City of Gothenburg Annual Report

The City of Gothenburg Annual Report is the City Executive Board's report to the City Council on the overall operations and finances for the year. It is also aimed at residents and visitors, as well as external stakeholders such as lenders, suppliers and other authorities. The Annual Report is produced by the City of Gothenburg Executive Office for the City Executive Board.

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Gothenburg weathered the storm

2024 began in the same way as the year before: in an economic crisis. Inflation, interest rates, food prices, energy – for the average Gothenburg resident, life feels more expensive. Household purchasing power is being eroded and unemployment is edging upwards. Building and managing property is becoming more expensive, driving up rents.

But despite a marked passivity on the Government's part, Gothenburg weathered the crisis. A wide range of fiscal measures – dividends from the well-managed corporate sphere, administrative savings and the use of reserves – allowed us to start the year with well-financed services and to strengthen them even more if necessary. We were able to ward off the worst effects.

Now the cost of living crisis is less acute, but that does not mean that the problems have gone away completely. There are fewer children and more elderly people. The economy is weak and unemployment is growing. Civil preparedness and the security situation are placing fresh demands on us. But we are approaching this as a strong city – a city that weathered the crisis, collectively.

Better conditions for staff are a must

Staff in the welfare services saw the effects of the cost of living crisis up close. We have an obligation to improve conditions for them. During the year, a number of reforms were launched with the aim of both retaining and attracting staff with the right skills – but also at creating a sustainable working life: low-wage initiatives, reduced working hours at more pre-schools and a target of no more than 25 employees per manager.

The results are slowly starting to show. The proportion of hourly-paid workers in pre-schools is lower, the proportion of qualified pre-school teachers is higher – and more staff are being trained during working hours. Staff turnover is decreasing in elder care, as is sickness absence. We are introducing language requirements in both pre-school and elder care to further improve the situation.

Education lays the foundation for the future

Hard-hit by the cost of living crisis and a lack of government initiatives, schools have received big financial injections. The focus has been on trained teachers, quiet in the classroom and reduced bureaucracy. The proportion of qualified teachers in vulnerable areas is now increasing. Grades and qualifications are starting to move upwards. Just look at Gärdsässkolan in Bergsjön, which has increased the numbers completing upper secondary school from 47 to 82 per cent, while the figure for Utmarksskolan in Kortedala has risen from 66 to 81 per cent. That is where the future begins – with a successful education.

Time to accelerate the green transition

The City was given a Mission Label as one of the EU's leading cities in efforts to reach climate neutrality by 2030. This means that Gothenburg can accelerate the transition and become a role model for others. We are stepping up climate change adaptation in our services, the public housing sector is working more on recycling, and we are investing in wind power and other clean energy. With physical transformation where needed, prudent travelling habits and greener living environments, Gothenburg residents will be able to live both better and more sustainably than today.

Better infrastructure for a growing city

Gothenburg needs modern infrastructure. During the year, we took some important decisions to address these issues: The Allélänken, Bangård and Torslanda links and many other projects are nearing completion. The work that has started to reduce the basic speed limit and provide new cycle lanes and longer tram stops will help us use the space in the city more safely and efficiently.

The agreement on a new railway between Gothenburg and Borås is a milestone. For all of us living in Gothenburg, the benefits are huge,

not least the direct connection to Landvetter Airport and reduced congestion in the city centre. Well-managed finances allow us to take our share of the co-financing in a single year. This is a sign of strength.

Gothenburg chaired the STRING network and promoted cooperation on procurement of sustainable transport. We also committed to maintaining the night train services to the north. Our approach is clear: travel should always be comfortable and sustainable.

We want to live in a more cohesive city

The pace of planning remains high. There are over 24,000 homes in the current local plans. Local plans for 2,300 homes were launched this year, and 1,800 more have either been finalised or are almost there. In February, planning work started for the Biskopsgården garden city. This will contain both detached and terraced houses and apartments. This is in line with the new urban development philosophy: a beautiful and mixed 15-minute city where we all live together.

The recession has hit housing production. Nevertheless, over 3,600 homes were completed, and almost 1,400 started. Hundreds of millions are being invested in new municipal rental properties all over Gothenburg. Every home is needed – and new municipal housing is always in demand. The municipal housing companies are also developing a maintenance strategy, with tenants front and centre.

Safer lives in vulnerable neighbourhoods

Districts such as Lövgärdet, Hjällbo and Hammarkullen have made great strides on the safety index during the year. In Bergsjön, the proportion of residents who feel safe in the evening is twenty percentage points higher than last year. This proves that the social and security measures implemented in deprived areas do work. The long-term work of the municipal housing companies is crucial. Collaboration with the business community plays an important role. Super-administration and co-operation make Gothenburg safer.

In the inner city, the problem is different. To address the feeling of insecurity, a modern coordination centre has been opened in the middle of Drottningtorget. It encompasses neighbourhood police, field workers, security guards and others working together to prevent crime in the city.

Breaking down segregation and reducing social gaps

Fighting segregation is a constant priority. Social and equality measures were strengthened during the year. Poor families received special support for Christmas – a “thousand kronor bill”. More than 20 schools are now part of the “Schools as Arenas” programme. A leisure bank was opened in Frölunda. The idea that everyone has a right to a home has been emphasised, with clear initiatives to combat homelessness. Completely new indicators of the social situation in different neighbourhoods were developed as a basis for future action. And finally, the number of social workers is increasing, in all four urban areas.

Gothenburg is a city for all of its inhabitants. Anti-Semitism, Islamophobia, other forms of racism and discrimination must be constantly and vigorously opposed. Specific actions have been taken and funding has been mobilised. The decision to commemorate 250 years of Jewish life in Sweden feels particularly important.

Cooperation between the City and the business community benefits everyone

We strengthened our position as Sweden’s leading city for research and development – and we are a leader in R&D in Europe too. Work on deepening the fairway started, which is crucial for increasing freight volumes. Small business councils made their debut. Green industrialisation continued in Hisingen.

The tourism industry is going the same way. The annual events attracted large numbers of visitors and created jobs. Although it was quiet at Ullevi, Way Out West broke visitor records, dozens of new restaurants started up, hotels were opened and tourists enjoyed city life. There is a lot of interest in Gothenburg as a destination – outside Sweden too.

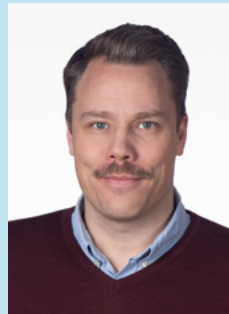
Gothenburg’s greatest asset

My strongest memory of the year 2024 is the love that people, of all ages and backgrounds, showed to Liseberg after the tragic Oceana fire. It proved yet again that people here – whichever way they vote – really love their home city. There is no greater asset than that.

Members of the City Executive Board



Jonas Attenius
(Social Democrat)
City Councillor,
Chairman



Daniel Bernmar
(Left)
City Councillor,
1st Vice Chairman



Axel Josefson
(Moderate)
City Councillor,
2nd Vice Chairman



Hampus Magnusson
(Moderate)
City Councillor



Viktoria Tryggvadottir Rolka
(Social Democrat)
City Councillor



Blerta Hoti
(Social Democrat)
City Councillor



Martin Wannholt
(Democrat)
City Councillor



Jörgen Fogelklou
(Sweden Democrat)
City Councillor



Jenny Broman
(Left)
City Councillor



Axel Darvik
(Liberal)
City Councillor



Marina Johansson
(Social Democrat)
City Councillor



Karin Pleijel
(Green)
City Councillor



Elisabet Lann
(Christian Democrat)
City Councillor



Johannes Hulter
(Social Democrat)
City Councillor



Nina Miskovsky
(Moderate)
City Councillor



Marie Brynolfsson
(Left)
City Councillor



Anneli Rhedin
(Moderate)
City Councillor



Emmyly Bönfors
(Centre)
City Councillor

Sustainable city – open to the world

Gothenburg is Sweden's second largest city, with more than 600,000 inhabitants. It is strategically located between Oslo and Copenhagen, and is the heart and the growth engine of the Gothenburg region and Region Västra Götaland. It has a strong business community and the biggest port in Scandinavia.

The City of Gothenburg

Gothenburg is growing, developing and preparing to make room for more inhabitants. There are now brand new neighbourhoods springing up around the old shipyards and industrial buildings. New roads, bridges, cycle paths and expanded public transport will make it easier to get around the city, for visitors as well as residents.

Gothenburg has always been open to people and influences from all over the world. Among other things, this is a feature of the city's varied commercial life, the hallmarks of which are sustainable development and innovation, based on advanced knowledge and technology. The Gothenburg region is home to a wide range of multinational companies and small businesses, as well as clusters in around fifty different sectors. Gothenburg is also a student city with hundreds of vocational training programmes, two universities and some 60,000 students.

Gothenburg is also famous for staging major events in sports, culture and entertainment. Liseberg, the Swedish Exhibition & Congress Centre, the Scandinavium and Ullevi stadiums, the Universeum Science Discovery Centre and the Museum of World Culture together attract over 6 million visitors every year. There is also a wide range of museums, theatres, shops, restaurants and hotels.

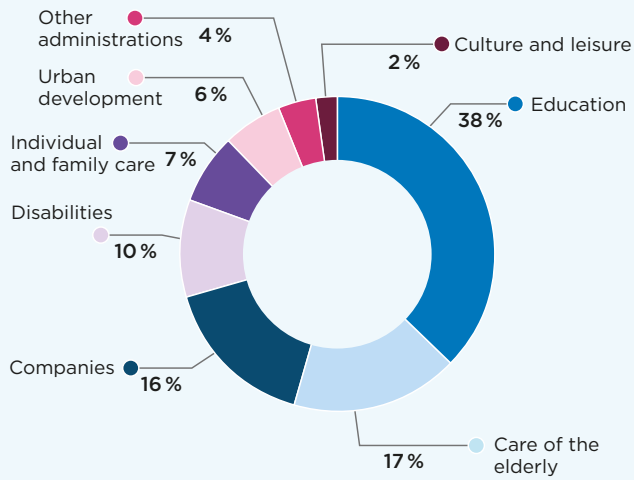
Tasks of the Municipality

Sweden's municipalities are responsible by law for a number of areas that are vital to the public good. These include health, education and social care. Among the other mandatory areas are libraries, planning and building matters, health and environmental protection, cleaning and waste management, water supplies and emergency services. Alongside these, there are voluntary activities that are also important to the community, such as leisure and cultural activities and the provision of social housing.

Our employees

The City of Gothenburg is the largest employer in Gothenburg, with 57,450 employees working in more than 100 different professions in specialist administrations and municipal companies. Our shared mission is to provide a good environment for residents, visitors and businesses and to develop Gothenburg for the future. The average age of permanent employees is 46 years and 71 per cent of employees are women. The gender distribution varies between administrations and municipal companies. Women make up 76 per cent of the workforce in the administrations and 43 per cent in the companies.

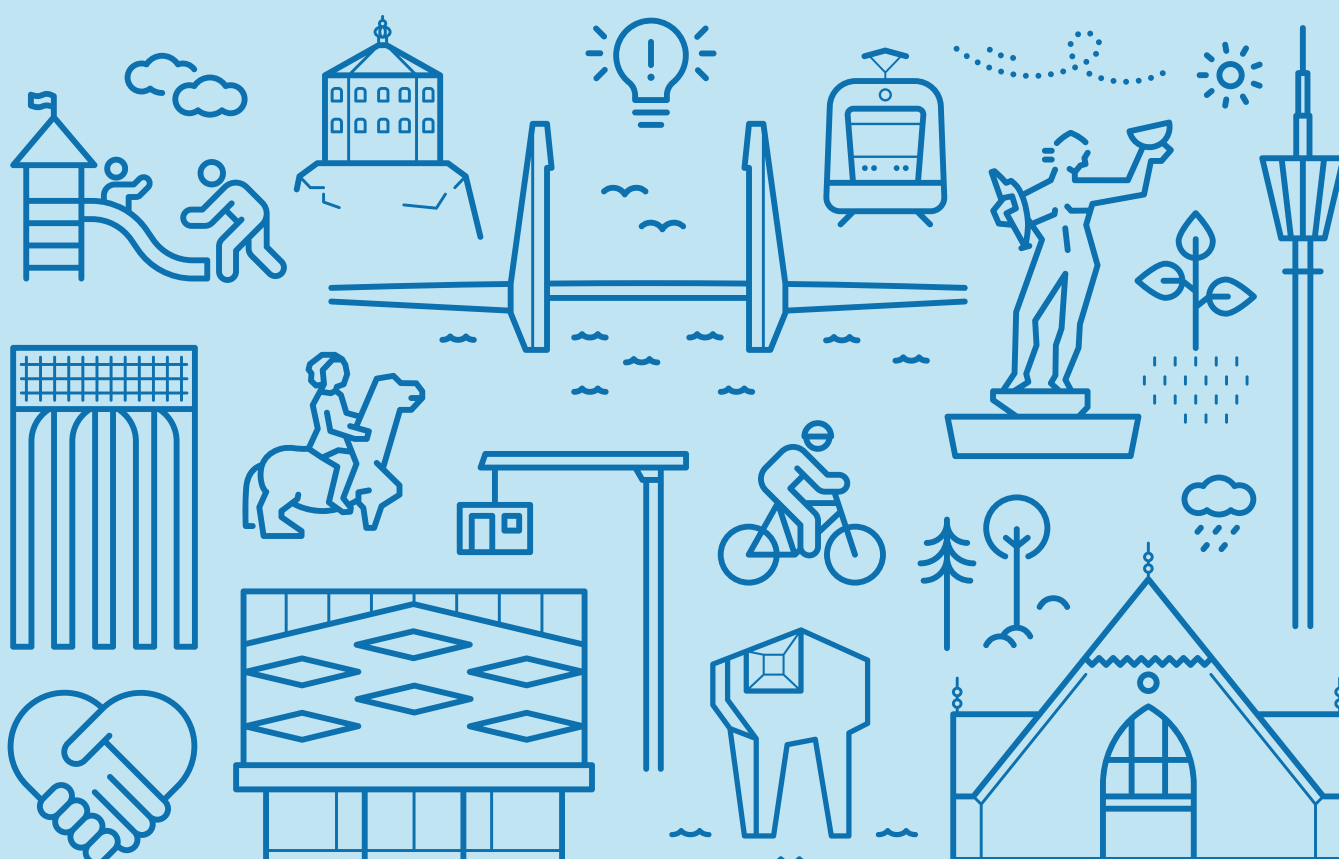
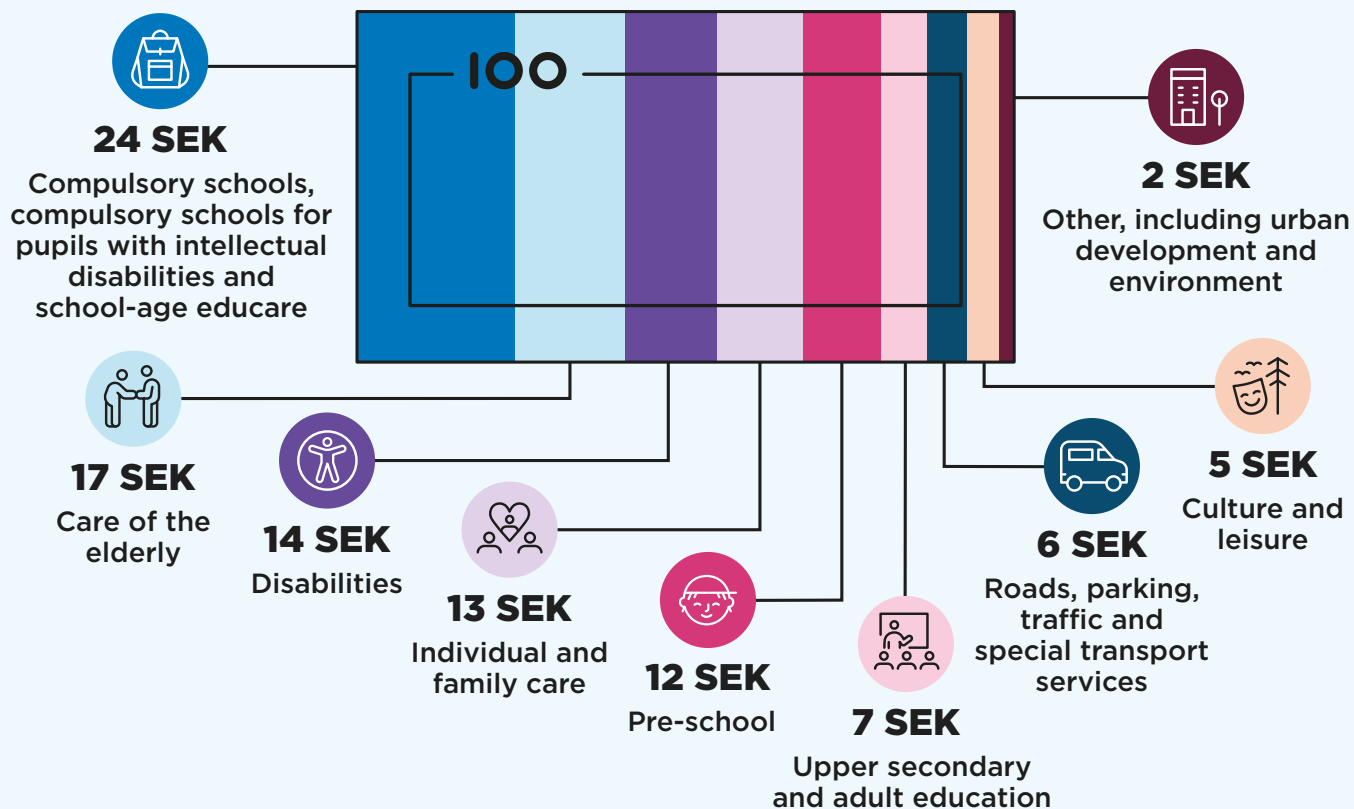
Breakdown of employees in the City of Gothenburg in 2024



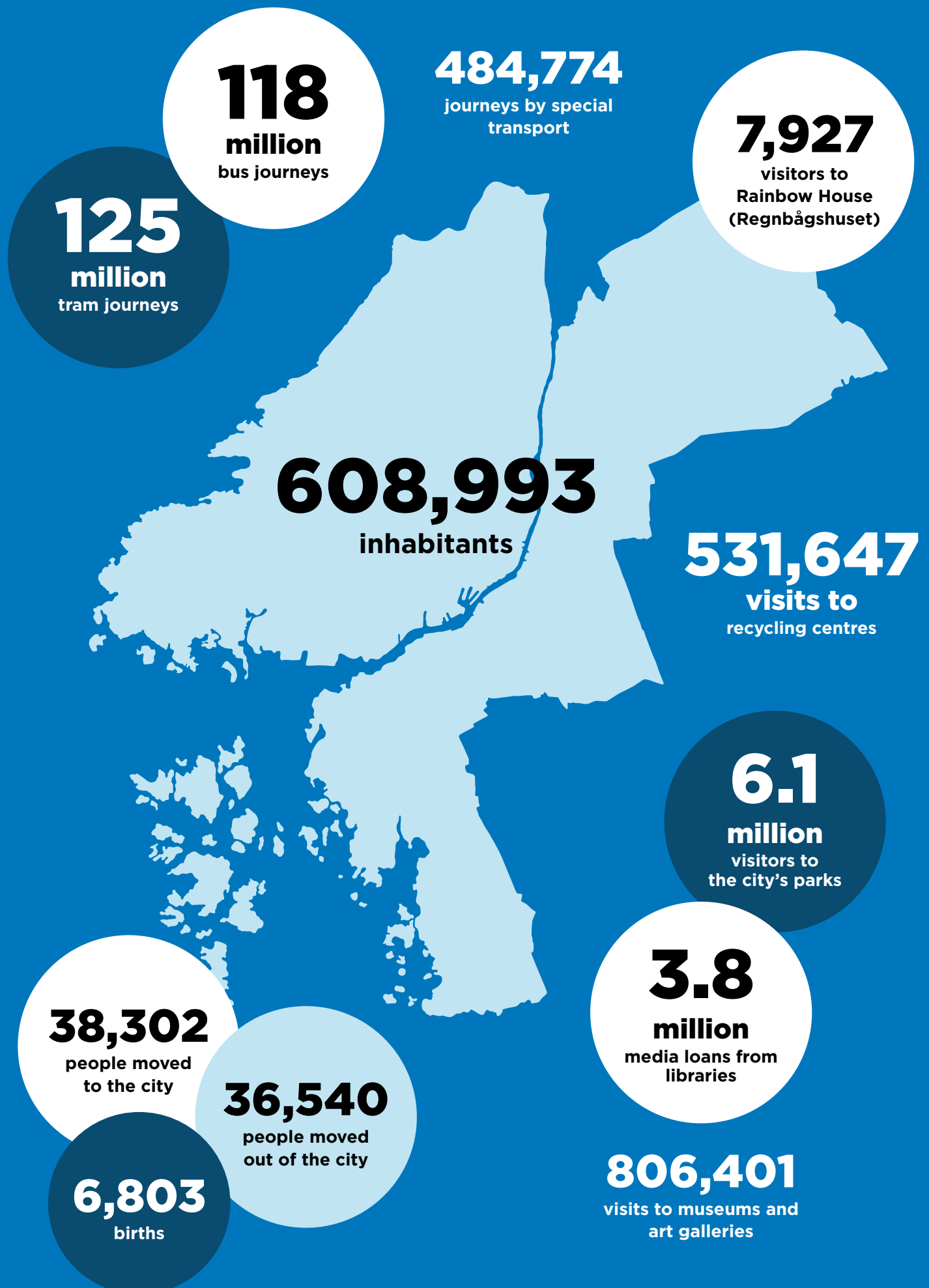
**The City of
Gothenburg
employs
57,450 people**



How each SEK 100 of tax money is spent:



The City of Gothenburg in figures 2024





How to read the City of Gothenburg Annual Report

1

Administration Report

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The Administration Report provides information on the administration of the Municipality and the Municipal Group in accordance with the Swedish *Municipal Accounting Act (2018:597)*. The Administration Report aims to provide an clear and comprehensive picture of the Municipality's operations over the past year. The main focus is on the Municipal Group, i.e. the municipal committees and companies together. The Swedish Council for Municipal Accounting (Rådet för kommunal redovisning, RKR) also has recommendations on the Administration Report, setting out the obligatory headings to be included.

2

Annual Accounts

66

The Annual Accounts present the financial statements which, according to the Municipal Accounting Act, comprise the income statement, balance sheet, cash flow statement and notes. The accounts for the Municipality and the Municipal Group are presented in consolidated financial statements.

3

Economic and Financial Report

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The Economic and Financial Report includes the operating accounts, investment accounts and a report on the foundations managed by the City. The operating and investment accounts must meet the Council's need for follow-up and provide a basis for demonstrating the accountability of boards and committees. It must also meet the needs of external stakeholders for information on how resources are allocated and used by the services.

4

Goals of the City Council

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The section on the City Council's goals assesses the chances of achieving the targets in the City's budget. The assessments are mainly related to the work on, and follow-up of, relevant targets in City-wide programmes and plans, as well as work on the targets by committees and companies. The ambition is to make the City's governance and monitoring more consistent and fit-for-purpose. The budget states that the targets apply to the whole of the mandate period unless stated otherwise, and it is on this basis that they are assessed.

1

Administration Report

The Administration Report provides information on the administration of the Municipality and the Municipal Group in accordance with the Swedish *Municipal Accounting Act (2018:597)*. The Administration Report is intended to provide a clear and comprehensive picture of the Municipality's operations over the past year. The main focus is on the Municipal Group, i.e. the municipal committees, boards and joint statutory authorities together. The Administration Report is based on the recommendations from the Council for Municipal Accounting on the obligatory headings to be included.

Administration Report

16 The Municipal Group

This section presents an overview of the committees and companies that are part of the Municipal Group and the changes that took place during the year.

18 Overview of trends in operations

This section presents a number of measures and indicators that describe the trends in operations compared with the four immediately preceding years. It also provides a general overview of the trends.

22 Key indicators for earnings and financial position

The financial analysis of the Municipality and the Municipal Group in this section highlights financial developments and trends. It also presents financial monitoring, risk disclosures and an overview of pension obligations.

32 Significant events

This section describes a number of significant events and decisions from 2024. It also covers events that occurred in early 2025.

35 Governance and monitoring of municipal operations

This section provides information on significant aspects of governance, monitoring and internal control for the Municipal Group and the Municipality.

37 Good financial management and financial position

This section provides an analysis of the City's financial development in relation to good financial practice and the guidelines set by the City Council.

49 Balanced budget requirement

This is followed by a description and analysis of the balanced budget requirement. The section concludes with a report on the Municipality's earnings equalisation reserve (EER).

51 Significant personnel-related matters

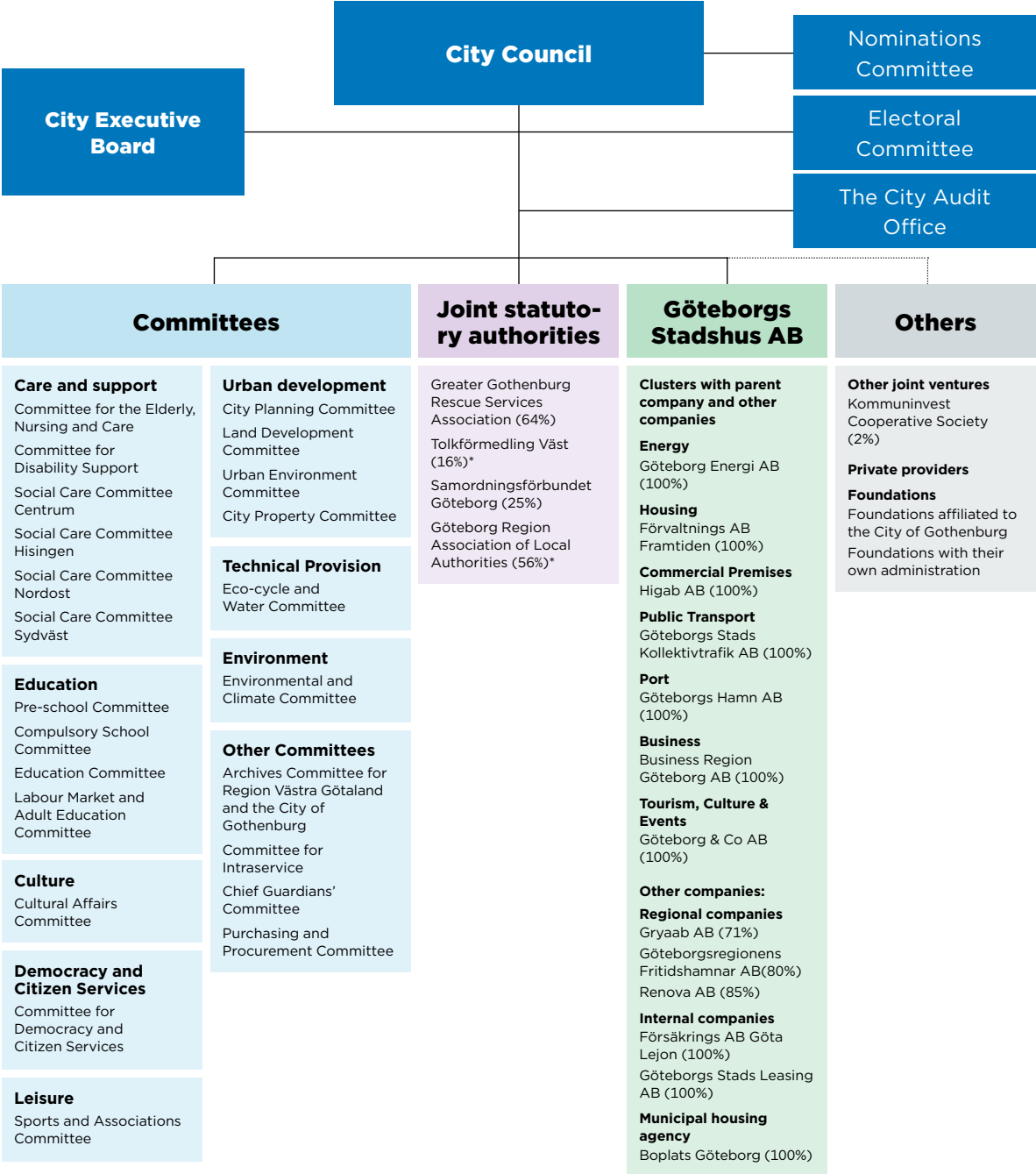
The Administration Report provides a description of significant personnel-related matters.

58 Expected developments

This gives a summary of market trends and expectations for the future. The analysis is based on known, real-world conditions that affect the Municipal Group and the Municipality either directly or indirectly. It also includes comments on risks and uncertainties related to these conditions.

The Municipal Group

Operations in the City of Gothenburg are conducted in a variety of formats. This section describes the overall operations of the Municipal Group and the Municipality. This section also provides information on the changes that took place during the year, not only within the organisation but also in terms of ownership.



*Excluded in the consolidated accounts

The Municipal Group consists of the committee organisation in the municipal sector, which constitutes a legal entity, joint statutory authorities and coordination associations, mainly comprising of Räddningstjänstförbundet Storgöteborg (Greater Gothenburg Rescue Services), and the company sector under the parent company Göteborgs Stadshus AB. The Stadshus Group includes 107 wholly or partly owned companies, 36 of which employ staff. The Municipal Group is usually presented in the consolidated accounts.

The summary shows the overall operations of the Municipality, which is a broader concept than the Municipal Group. The overall operations also include significant private providers, organisations in which the Municipality has ownership interests but which are not classified as municipal group companies, and the Municipality's affiliated foundations and foundations with their own administration. The City of Gothenburg's ownership interests are listed in Notes 11 and 30. Note 1 further describes what is included in the consolidated accounts.

Changes in ownership

The following material changes of ownership within the Group structure took place in the financial year:

- » Under Bygga Hem i Göteborg AB (556643-7934) within the Framtiden Group, 18 new companies were added following acquisitions in Karlastaden.
- » The ownership stakes in Halvorsäng Holding AB (559338-6807), Halvorsäng Fastighets AB (559338-6781) and Halvorsäng Fastighetsbolag Nord AB (559338-6815) changed from 100 to 50 per cent in each company following the creation of a company jointly controlled by Castellum AB and Göteborgs Hamn AB (556008-2553).
- » 100 per cent of Göteborg Arendal 764:385 AB (559394-9323) was merged into Göteborgs Hamn AB (556008-2553).

Private providers

The City of Gothenburg outsources some of its services to private providers through procurement.

In services for people with disabilities, the cost for private providers was SEK 1.4 billion, which corresponds to 25 per cent of net costs for this operational area. The largest provider was Föreningen Betaniahemmet, at SEK 160 million.

In individual and family care services, the cost for private providers was SEK 1.1 billion, which corresponds to 22 per cent of net costs for this operational area. In social services, the whole home may be run by a private provider. Most individual places for care and accommodation within social services are bought in, and the largest provider was Gryning Vård AB* at SEK 93 million.

In health and social care for the elderly, the cost for private providers was SEK 1.1 billion, which corresponds to 17 per cent of net costs for this operational area. The largest private provider was Attendo Sverige AB at SEK 258 million.

For the operation and maintenance of streets and parks, the cost of private providers was around SEK 0.5 billion, and the largest provider was LPE Sverige AB at SEK 164 million.

Other operational areas with relatively low costs for private providers, but where they accounted for a relatively large proportion of the operation's gross costs, were special transport at SEK 0.4 billion, and adult education at SEK 0.3 billion. The largest provider of transport services was Majvillan Transport AB at SEK 121 million.

Costs for providers engaged under the Act on System of Choice in the Public Sector (LOV) amounted to SEK 128 million for home care services under the Social Services Act (SoL), and SEK 33 million for day-to-day operations under the Act concerning Support and Service for Persons with Certain Functional Impairments (LSS). The amounts are included in the business areas mentioned above.

Many children and pupils attend private pre-schools and independent schools. The schools are run on the basis of freedom of establishment and are not regarded as private providers, but the Municipality does make a contribution towards them. The cost of external providers totalled SEK 4.2 billion, which together accounted for 24 per cent of total net costs in the operational areas. External providers for pre-schools and after-school centres accounted for 17 per cent, compulsory schooling 21 per cent, and upper secondary school 51 per cent of net costs for the respective operational area.

* Gryning Vård AB is a municipal group company, but it is treated here as a contracted private provider.

Overview of trends in operations

This section presents a number of measures and indicators that describe the trends in operations compared with the four immediately preceding years. It also provides an overview of trends within the City, linked to the metrics and indicators described in the section.

Development of the operation

	2024	2023	2022	2021	2020
General					
Number of inhabitants	608,993	604,616	596,841	587,549	583,056
Change in number of inhabitants	4,377	7,775	9,292	4,493	3,775
Municipal tax rate (%)	21.2	21.2	21.2	21.2	21.2
Municipal Group					
Operating income (MSEK)	31,327	30,221	32,761	31,183	24,820
Operating expenses (MSEK)	-70,253	-67,809	-65,842	-60,430	-54,830
Net earnings for the year (MSEK)	408	767	3,653	5,497	3,323
Equity/assets ratio (%)	33	34	36	34	31
Equity/assets ratio incl. all pension obligations (%)	26	27	28	26	22
Net investments (MSEK)	14,580	12,681	11,443	10,678	11,503
Investments per inhabitant (SEK)	23,941	20,974	19,173	18,174	19,730
Borrowing (MSEK)	61,035	57,653	51,404	50,929	50,019
Number of employees	57,449	57,776	62,937	59,750	53,552
Municipality					
Operating income (MSEK)	12,191	11,637	11,153	10,829	9,992
Operating expenses (MSEK)	-52,772	-49,928	-46,001	-43,730	-41,578
Tax revenue and state subsidies (SEK million)	41,252	39,524	37,484	35,555	33,996
Net earnings for the year (MSEK)	899	1,070	2,554	2,652	2,408
Net investments (MSEK)	5,835	4,635	3,788	3,877	4,259
Net borrowing (MSEK)	11,831	10,631	9,329	7,352	6,307
Net borrowing per inhabitant (SEK)	19,427	17,583	15,631	12,513	10,817
Number of employees	48,138	48,569	49,523	48,073	46,993

	2024	2023	2022	2021	2020
Children and education					
Net costs, children and education (SEK million)	18,042	17,266	16,265	15,714	14,761
Number of children in pre-school (average March and October)	29,193	29,589	29,444	29,675	30,024
Number of pupils in mainstream and specialised compulsory schools (average March and October)	62,621	62,833	62,461	62,009	61,582
Percentage of pupils who achieved the goals in all subjects in year 9, registered locally (%)	70.1	70.3	72.4	73.2	74.9
Number of pupils in mainstream and specialised upper secondary schools (average March and October)	19,259	18,907	18,626	18,438	18,153
Upper secondary students who gained a diploma within 3 years, registered locally (%)	67.6	70.5	67.6	66.2	63.2
Number of full-year places in adult education	12,423	13,027	13,211	14,142	12,890
Care and other social services					
Net cost of care and social services (MSEK)	16,887	16,104	14,709	14,290	13,779
Number of persons with measures under the LSS	4,459	4,460	4,490	4,487	4,405
Number of persons in permanent special housing (average per month)	3,945	3,906	3,862	3,652	3,948
User assessment of special housing in care of the elderly overall (%)	77	78	77	-	80
Number of people receiving home-help services (average per month)	7,076	7,350	7,351	7,271	7,179
User assessment of home-help service in care of the elderly overall (%)	77	81	80	-	80
Number of people registered for municipal healthcare and medical (average per month), available from 2022	8,127	8,135	7,939	-	-
Number of households receiving financial assistance (average per month)	6,683	6,709	7,452	8,564	8,785
Amount paid out (TSEK) per household receiving financial assistance (average per month)	11.0	10.2	9.3	8.8	8.6
Culture and leisure					
Net costs, culture and leisure (MSEK)	1,771	1,651	1,496	1,412	1,306
Number of library visits	3,161,019	3,185,000	2,257,000	2,863,000	4,167,000
Number of visits to museums and art galleries	806,401	885,103	531,467	279,886	256,397
Number of visits to pools etc.	687,087	676,249	699,491	286,699	-
Housing and housebuilding					
Number of homes in current local plans	24,400	24,700	18,611	22,376	25,364
Number of homes for which construction has started	1,384	2,886	5,051	5,844	5,927
Number of completed homes	3,696	5,502	5,930	5,365	4,494
Transport and environment					
Number of trips per weekday by public transport	456,000	457,000	427,000	338,000	322,000
Number of journeys by service travel	1,258,000	1,225,000	1,179,000	1,010,000	1,050,000
Number of cyclists per weekday	112,000	107,000	112,000	100,000	115,000
Amount of household waste sent for incineration (tonnes)	115,172	116,680	120,617	123,166	123,721
Increase in handling capacity for torrential rainfall (m ³)	5,485	3,835	0	0	0

* Including depreciation.

Some figures from previous years have been updated with new data.

Children and education

The net growth in spending on children and education was 4.5 per cent, which is lower than last year. This is mainly because the Pre-school Committee has seen a smaller increase in costs compared to 2023 due to a drop in the number of children and staffing adjustments.

The number of children in early pre-school fell by about 400 in 2024. The decline in the number of children aged one to two is down to demographic trends, with fewer births in recent years. However, the proportion of children in the population enrolled in pre-school programmes has increased by 0.3 percentage points. The increase is due, among other things, to children with a protected address now appearing in the statistics and some residents being deregistered from the population register, which leads to a lower proportion of adults in the population.

The number of pupils in Gothenburg's compulsory schools fell by just over 700 during the year and this is expected to continue to fall in the coming years. At the same time, the number of pupils in independent and special needs schools is expected to go on increasing. The number of pupils in special schools increased by 13 per cent in 2024 compared to the previous year.

The proportion of pupils in year 9 and year 6 in Gothenburg schools who achieving pass grades in all subjects has decreased slightly. The proportion of pupils qualifying for vocational programmes has also decreased. Overall, the results are worse in Gothenburg compared to the national average.

There has been an increase in the number of students in upper secondary schools since last year, and also in upper secondary schools for pupils with special needs, where there has been a relatively large increase. The proportion of pupils choosing to attend an independent upper sec-

ondary school is at about the same level as before. Fewer Gothenburg students are graduating within three years from either vocational courses or preparatory programmes for higher education. The result is lower than the national average. However, the proportion of pupils graduating within four years has increased, and this result is higher than the national average. Independent upper secondary schools have a higher target attainment rate than municipal schools. However, the intake is different and they have significantly fewer students on introductory programmes compared to municipal upper secondary schools.

Care and other social services

Net expenditure on care and social services increased by just under 5 per cent, which is significantly lower than in the previous year. Staffing adjustments in elder care and disability support services are the main reason for this.

The number of people receiving ongoing support under the LSS is unchanged from 2023. The number of approved decisions on daily activities under LSS has continued to increase, partly due to a more efficient implementation process. The number of people who have been granted "special service homes" (BmSS) under the LSS has risen, partly due to the provision of new BmSS housing by the City and partly through new procurement from framework agreement suppliers. Short-term stays away from the home are the LSS initiative that has decreased the most. There has been a large increase in social housing with support under the Social Security Act.

The number of elderly people who have been granted supported accommodation continues to increase and more people are choosing private alternatives over care homes run by the Municipality itself. The proportion housed by private providers reached 26 per cent in 2024. The results



from the user survey for both the private and municipal sectors show a slight decline since 2023.

The number of people receiving home care decreased compared to the previous year. The Committee for the Elderly, Nursing and Care, work is working to adapt home care services to better meet the actual needs. The 2024 user assessment shows a negative trend. Among other things, the indicators reflecting influence and participation worsened compared to the previous year.

The number of people registered for municipal health and medical care increased in 2023 compared to 2022. The number remained at around the same level in 2024. People who have completed treatment at hospital are discharged sooner and this affects the number of people registered for municipal healthcare.

The average number of households receiving income support each month remained lower in 2024 than in 2023. However, the falling trend in the average number of households per month was broken in mid-2024, and since July there has been an increase in the number of households receiving income support. The amount paid per household has continued to rise sharply with the increase in the national standard due to inflation.

Culture and leisure

Museums and art galleries continued to attract many visitors in 2024. Numbers were down slightly compared to 2023, which featured both the popular exhibition on the Gothenburg colourists and the reopening of the Maritime Museum.

The number of visits to libraries increased by 3 per cent compared to the previous year. This means that the Cultural Affairs Committee's target of 3.5 million visits was not achieved. This is mainly because Frölunda library was closed all year, while Kärras and Trulsegården libraries were closed by the Committee. The number of visits is also significantly lower than before the pandemic. There is a similar trend in the rest of Sweden.

Library visits in areas with great socio-economic challenges represent 19 per cent of the total. The library plan aims to increase the number of visits to libraries in these areas. Compared to 2023, the number of visits in these areas has increased by 12 per cent.

The number of visits to swimming pools increased slightly compared to the previous year. Valhallabadet had the most visitors, which also compensated for the visits that not made while Frölundabadet was closed for renovation and

maintenance work and the reopening of the experience area at Angered Arena was delayed.

Housing and housebuilding

There were still many homes in the current local plan in 2024, enabling extensive new building to take place. A weaker economy and high interest rates meant that fewer new homes were started in 2023 compared to the previous year, which in turn resulted in fewer being completed in 2024. The number of new homes started continued to decline in 2024, falling to 1,384. This is the lowest number since 2009, after the financial crisis, and before that the 1990s. The reduced number of housing starts could result in fewer completions in the next few years. The year-on-year comparison of the number of homes in the current local plan is affected by a change in the measurement method in 2023 to better reflect the expected outcome.

Transport and environment

The number of journeys continued to increase in 2024 and is 1 per cent higher than in 2023. Travel by public transport remained at the same level as in 2023, while travel by bike and car increased. Journeys by bike increased by 4 per cent in 2024 compared to 2023. The calculated figures are based on bicycle movements past permanent measuring points on weekdays. There are many roadworks in the city which affect the choice of routes for cyclists, which complicates the assessment. Overall, 29 per cent of all journeys are made on foot or by bike, with cycling estimated to account for 7 per cent of the total. The number of service journeys (transport services, school transport, LSS journeys) continues to increase. The increase is mainly in school runs for pupils with special needs and travel to daily activities.

Facilities to handle torrential rainfall (stormwater) are an important climate adaptation measure for the City. At the end of 2024, the total capacity of the City's stormwater facilities was 5,485 cubic metres. Two projects to protect our major regional hospitals, Östra and Sahlgrenska, are in the implementation phase (Stabbeparken and Guldhedsbergen).

Increased investment in stormwater facilities in the city is expected in the future.

More food waste has been separated, which is down to the gradual introduction of mandatory sorting. Sorting, combined with tighter household finances, is reducing residual waste volumes, but waste for incineration remains at a similar level to last year with bulky waste from the recycling centres increasing.

Major factors affecting earnings and financial position

This section contains information on matters that are not recognised in the balance sheet or the income statement, but which are important for assessing the performance or financial position of the Municipal Group and the Municipality. It includes a description of external factors and affecting the core activities of the services. The section concludes with details of financial risks and pension obligations within the Municipal Group.

The economy has been hit by a prolonged downturn

According to the December 2024 report from the National Institute of Economic Research (Konjunkturinstitutet), the Swedish economy was in a recession through the year. The Riksbank has made a number of cuts in the base rate, from 4 per cent at the beginning of the year to 2.5 per cent at the end of December. Inflation has fallen and since June has been in line with the Riksbank's inflation target of below 2 per cent. Prices have remained high, which has led to a reduction in real wages for households, which have been restrained in their consumption. According to Economic Report #4 from Business Region Göteborg AB (BRG), the regional economy as a whole had a weak year in 2024. Low consumption has contributed to Sweden's weak GDP growth, which is projected to be only about 0.8 per cent in 2024.

Economic activity in the euro zone was also weak, with low consumption and investment. This has hampered the growth of Swedish exports, affecting businesses in the region. According to the report from BRG, companies in the Gothenburg region judge the economic situation to be weaker than normal. The number of redundancies and bankruptcies increased over the year, and the regional construction sector has faced particular difficulties with low demand

and hence reduced employment. The economic situation has also worsened for manufacturing companies, with weak demand a contributing factor. Unemployment has risen; in Gothenburg it is estimated to have increased by more than 1 percentage point by the end of 2024 compared to the same period in 2023. This has an impact on tax revenues, which show a smaller than normal increase over the year. According to the economic report from the Swedish Association of Local Authorities and Regions, in 2024 the local government sector is likely to see its weakest economic performance so far in this century.

The results for the City of Gothenburg are down from 2023. The City continues to be affected by cost increases affecting many sectors of the economy, including pension costs, which have remained high for the City following an increase in the price base amount. Pension costs total SEK 4.4 billion for the year.

Housebuilding and property development

One industry that was hit hard by the earlier high inflation and interest rates was construction, which was in a recession with low demand, fewer housing starts and more projects delayed, and a smaller number of completed projects. The sector was also hit by an increase in redundancies and



job losses. In Gothenburg, the number of completed homes fell by around 30 per cent compared to 2023 and the number of housing starts this year is the lowest since 2009. A low number of housing starts over a long period of time could have a significant impact on the housing situation in Gothenburg. But despite lower interest rates, which have also affected mortgage rates, there has been a reluctance among households to buy new homes, which means that demand has been weak. At the same time, construction costs have remained high for developers.

Labour market

The current economic situation has also affected the labour market, as growth in the Swedish economy has been weak. Since the end of 2023, employment has declined, with around 4,000 fewer people employed in the Gothenburg region on an annual basis compared to the same period in 2023. Job growth is slowing in most sectors, but construction is the worst affected. Businesses have

remained cautious in hiring staff and the number of job vacancies in the region has declined, while the number of business failures has increased. During the year, Gothenburg had weaker job growth than either Stockholm or Malmö.

According to the Swedish Public Employment Service, unemployment in Sweden averaged 7.1 per cent in December 2024, an increase of 0.4 per cent on the previous year. In Gothenburg, the unemployment rate was 8.1 per cent, which is an increase of around 1 per cent compared with the same period in 2023. One group that has been hard hit by the situation is young people aged 18-24. By October 2024, the unemployment rate in this group had risen to 7.3 per cent in the region (+1.6 percentage points year-on-year), according to BRG Economic Report #4. Long-term unemployment also increased over the year. The number of people in Gothenburg with debts registered with the Swedish Enforcement Authority increased by 4.9 per cent from 2023, according to statistics from the Authority.

Changes in the tax base

The decline in employment in the labour market caused the growth in the tax base to slow in 2024. According to the updated assessment from the Swedish Association of Local Authorities and Regions (SKR), the tax base grew by 3.7 per cent during the year. This compares with the average annual growth rate of around 4.5 per cent over the last decade. While tax revenues have increased less than normal, costs have risen sharply. Inflation and interest rates fell back over the year, but pension costs rose sharply, resulting in a big increase in costs overall. The SKR notes in its autumn economic report that in 2024, as in 2023, prices and wages increased significantly faster than the tax base, eroding the value of tax revenue.

Political decisions

The Riksdag's budget decision to increase general state subsidies to the local government sector in 2024 included a supplement of around SEK 400 million to Gothenburg. This supplement did not entail any deviation from the budget, as it was announced in the government's budget bill in September and incorporated into the City Council's budget for 2024.

In October, the City Council approved the agreement on the *Construction of the joint Gothenburg-Borås rail link*, which means an upgrade to the line between the two cities. This involved co-financing of state infrastructure by the City to the tune of about SEK 1.1 billion, which was expensed in 2024. This will be charged to liquidity as the investment is made.

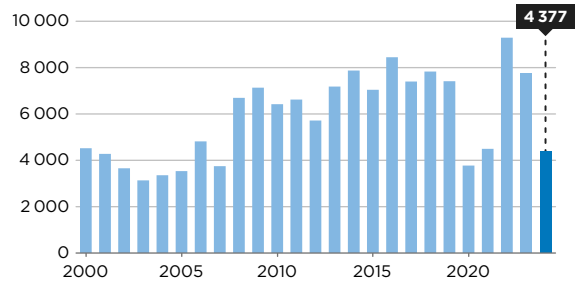
Population development

Sweden's historically high population growth has slowed in recent years. In both 2023 and 2024, population growth reached its lowest level in almost two decades. In Gothenburg, the population did not increase as quickly in 2024 as we saw in the years immediately following the pandemic. At the turn of the year 2024/2025, the population reached 608,993, an increase of 4,377 inhabitants compared to 2023.

The lower population growth in 2024 is largely due to a sharp increase in the number of people moving away. During the year, twice as many people were recorded as leaving the area compared to recent years. Some of this outflow is explained by the fact that the Swedish Tax Agency has continued to cleanse the population

register and has taken out 1,500 people who were registered in Gothenburg but, on closer examination, were found to be no longer living in Sweden. However, even without the write-offs by the Tax Agency, significantly more people moved away in 2024 than in recent years.

Population changes in Gothenburg 2000–2024



The economic downturn continued to affect migration

The demographic trends from the post-pandemic years largely persisted in 2024. Internal migration shows clear signs of being affected by the recession and the state of the housing market. The numbers moving to other municipalities are lower than normal, while moves to Gothenburg from other municipalities are high. Overall, for the second year in a row, Gothenburg saw positive net migration compared to the rest of the country.

The number of people moving to the city remains a major factor in population growth, as changes to the registration rules for persons granted the right to remain under the Temporary Protection Directive brought 1,200 Ukrainian nationals to Gothenburg.

The birth rate remains low

The birth rate, measured as the average number of children per woman based on current fertility patterns, has been falling since 2010 and is now at its lowest recorded level in Gothenburg and in Sweden as a whole. The decline was not previously reflected in the number of births in Gothenburg because it was offset by an increase in the number of women of childbearing age. Over the last three years, there have been fewer births compared to the previous decade. The smaller cohorts then affect the demand for childcare and subsequently for school places.

Financial monitoring and risk management

This section describes the City of Gothenburg's financing activities, which are based on the guidelines agreed by the City Council. It also describes the financial risks that the Municipal Group is exposed to.

Through its diversified operations, the City of Gothenburg is exposed to financial risks of varying types and scope. Financial risk refers to the changes in the Group's cash flows arising from changes in exchange rates, interest rates, commodity prices and credit, liquidity and financing risks.

It is vital for the Group's operations in the short and long term to have control over these financial risks, so it is important to identify and assess them. The Group's external borrowing at the end of the year totalled SEK 61 billion, an increase of SEK 3,3 billion from the previous year.

The financial infrastructure

Financing activities are conducted on the basis of the guidelines adopted by the City Council, which include risk mandates and limits for financial activities within the Municipality and the Municipal Group. Financial management for the Municipality and the municipal group is coordinated through the Group Bank at the City of Gothenburg Executive Office. The purpose of the coordination is to lower overall borrowing costs through efficient management and to capitalise on the Municipality's good credit rating. Financial risks can also be managed by taking a holistic perspective and ensuring good internal control. Monthly reports of compliance with financing activity guidelines are submitted to the City Executive Board.

Borrowing

All external borrowing in the Group is coordinated through the Group Bank. This means that the Municipality is responsible for all credit provided to the municipal group companies. The City borrows from a variety of financing sources:

Capital markets

Most of the loan financing, 70 per cent, is raised on the open capital markets via bond issues and certificates. There are established loan programmes for this. The Municipality has a

bond programme (Euro Medium Term Note, EMTN), a certificate programme denominated in SEK (municipal certificate programme, KCP) and a certificate programme denominated in foreign currency (Euro Commercial Paper, ECP). During the year, eight bonds totalling SEK 9.1 billion were issued under the City's bond programme.

Kommuninvest

Kommuninvest i Sverige AB is a Swedish credit market company that offers loans to the Swedish municipalities and regions that own and are members of the Kommuninvest Cooperative Society.

Institutional borrowing

Loans can also be taken from international financial institutions. These institutions often operate on a non-profit basis with the task of granting project-related loans to promote investments in areas such as energy, the environment and infrastructure. The Municipality currently has loans from the European Investment Bank (EIB), the Nordic Investment Bank (NIB) and the Council of Europe Development Bank (CEB).

The table below shows the breakdown between different sources of financing and the level of committed credit limits as at 31 December 2024.

Sources of funding

Programme	Loan limit	Degree of utilisation
EMTN, bond loans	EUR 6 bn	SEK 38.2 bn NOK 2.0 bn
<i>of which: green bonds</i>		SEK 32.6 bn
KCP, short-term <1 year	SEK 6 bn	SEK 1.3 bn
ECP, short-term <1 year	USD 0.5 bn	USD 0.1 bn
Kommuninvest		SEK 12.0 bn
European Investment Bank		SEK 4.6 bn
Council of Europe Development Bank		SEK 0.8 bn
Nordic Investment Bank		SEK 1.0 bn

The City has SEK 2.2 billion in agreed overdraft facilities, of which SEK 2.2 billion was unutilised at 31 December 2024. The City also has loan commitments totalling SEK 13 billion that have not been utilised.

Continued high credit rating

In order to have full access to the capital markets, the Municipality has a credit rating. This is in accordance with the City's financial guidelines. The rating agencies Moody's and Standard & Poor's confirmed the Municipality's strong credit rating in 2024. The Municipality's credit rating is the second highest, AA+ with a stable outlook. For investors, the Municipality's high rating means that lending capital to the City of Gothenburg is associated with very low risk.

The City of Gothenburg's risk management

The Municipality and the Municipal Group are mainly exposed to the following financial risks: interest risk, financing risk, counterparty risk, currency risk, commodity price risk, profile risk, insurance risk and operational risk. Risk limits have been set in the City Council guidelines at levels that will safeguard the ability to pay, secure access to capital and create predictability in future interest expenses.

Financing risk

Financing risk refers to the risk that at some point in time funds for payments will not be available, or will only be available at an increased cost.

Counterparty risk

Counterparty risk refers to the risk that the counterparty will be unable to fulfil its contractual obligations.

Currency and interest risk

Interest risk refers to the risk of incurring increased costs due to changes in interest rates. The Group Bank is responsible for both interest and financing risk, and derivative instruments are used to hedge interest and currency risk. Currency risk refers to the risk of incurring increased costs due to exchange rate fluctuations. Currency risk arises when buying, selling, borrowing, or investing in foreign currency. The risk from transactions denominated in a foreign currency can be limited by using currency derivatives

Until 31 December 2019, part of the companies' debt was hedged through derivatives held by the companies themselves, and the companies will hold their existing interest rate derivatives to maturity. From 2020 onwards, the companies will not enter into any new interest rate derivative contracts of their own. The companies' last derivatives mature in 2029.

The nominal value of the derivative portfolio in the Group totalled SEK 8.5 billion for interest rate hedging and SEK 3.1 billion for currency and interest rate hedging of foreign currency loans. As of 31 December 2024, the derivatives had a negative market value of SEK -97 million. Other currency derivatives totalled SEK 2.0 billion and have a negative market value of SEK -22 million.

A negative market value can be described as the interest that would be payable if the derivatives were redeemed on the balance sheet date. Conversely, a positive market value represents the interest that would be received. In 2024, interest rate hedges in the form of interest rate derivatives reduced the Group Bank's borrowing costs by SEK 186 million.

Effectiveness of hedging instruments

The instruments used to hedge liabilities in foreign currencies correspond entirely in terms of amounts, terms and day count conventions. In the case of interest risk, for the interest rate hedging carried out by the Group Bank, the liabilities and the hedges do not completely match in terms of amount and maturity. However, the correlation between the hedged debt portfolio and the hedging instruments is good, and as maturing loans are very likely to be replaced by new borrowings, the hedging can be said to be effective.

The requirements for hedge accounting are therefore met as at 31 December 2024.

Operational risk

Operational risk refers to the risk of incurring losses from inadequate internal processes, human error or faulty systems.

Operational risks must be limited through internal control systems and procedures for continuous identification, assessment and management of operational risks in financing activities.

Type of risk	Policy	Outcome
Interest risk		
Average fixed interest period (years)	2-6	3.1 – no deviation
Maturing within 1 year (%)	<35	32.5 – no deviation
Financing risk		
Binding loan commitments to cover loans maturing in the next 12 months (%)	>100	140 – no deviation
Committed loan facilities and liquidity reserve to cover next 12 months' maturities plus next 12 months' forecast net outflows(%)	>100	101 – no deviation
Average capital commitment period (years)	2-6	3.3 – no deviation
Maturing within 1 year (%)	<35	20.0 – no deviation
Financing to be facilitated by credit ratings from rating agencies	There should be a rating	There is a rating. The Municipality has the second highest credit rating from Standard & Poor's – AA+, indicating a stable outlook. The rating was confirmed in September 2024. No deviation.
Counterparty risk		
For new credit agreements, loan commitments and derivatives, the counterparty must have a high credit rating	Lowest A3 from Moody's or A- from Standard & Poor's	No deviation
Individual counterparty's share in derivative contracts (%)	<35	30.2 – no deviation
Individual counterparty's share of credit commitments (%)	<35	29.5 – no deviation
Derivative instruments		
Use of derivative instruments	Solely for hedging the debt portfolio	No deviation
Currency risk		
Currency risk from financial assets and liabilities	Immediate hedging	No deviation

Other risks

Commodity price risk

Commodity price risk refers to the risk of changes in commodity prices having a negative impact on the Group's income statement and balance sheet. Commodity price derivatives are used to limit these risks.

Within the Group, Göteborg Energi AB is responsible for managing this risk by the use of commodity price derivatives for electricity and gas. The nominal value of commodity price derivatives amount to SEK 0.1 billion with a negative market value of SEK –2 million.

Profile risk in electricity consumption

Profile risk refers to risks associated with fluctuations in consumption over time. The hedged volume is spread evenly across all hours of the day, which means that it is independent of variations

in consumption that occur at different times of the day. This does not match actual consumption, which tends to fluctuate through the day. In the financial markets, there are no electricity derivatives to handle hourly and daily variations. Any consumption above or below the hedged volume must instead be traded on the spot market at a different price from the original hedged price.

Insurance risk

The Group is exposed to insurance risk. Through the insurance policy approved by the City Council, Försäkrings AB Göta Lejon is responsible for insurance cover for all the City's committees and boards.

Insurance risk consists of underwriting risk, reserving risk, concentration risk and reinsurance risk. Underwriting risk exists if there is a risk that the estimated premium will not cover the expected amount of the claim. The company limits

this risk by purchasing reinsurance with stop-loss protection. Reserving risk exists if there is a risk that the reserve set aside for losses incurred is insufficient. Once again, stop loss reinsurance provides protection. The risk is managed by purchasing reinsurance. To minimise reinsurance risk, reinsurers with a Standard & Poor's rating lower than A- are not accepted. For 2024, the operations were reinsured.

Surety risk

High interest costs mean that associations carry an increased risk of default in the longer term. For 2025, it is estimated that there is a risk of defaulting on the SEK 24 million guarantee.

Green bonds

Green bonds are also issued as part of the bond programme. These finance projects that meet the requirements set out in the City's Green framework. All bonds issued during the year were green bonds, totalling SEK 9.1 billion. The City has a total of SEK 32.56 billion in outstanding green bonds, amounting to 81 per cent of the City's total bond volume and 53 per cent of total borrowing. The breakdown of projects is shown in the table on the next page. As at 31 December 2024, the project portfolio amounted to SEK 35.98 billion, of which SEK 15.5 billion related to projects in 2024.



Project breakdown – Green bonds

Projects (amounts in SEK million)	Committee/ company	Project category	2024	2023	2022	2021	2013–20
Ultrafilter	Eco-cycle and Water Committee	Water management	262	134	25	58	624
Electric vehicles	Göteborgs Stads Leasing AB	Sustainable transport	80	79	81	39	157
Denitrification	Gryaab AB	Water management	-	-	-	-	356
Tree planting	Urban Environment Committee	Biodiversity	15	9	14	7	48
Celsius – district heating	Göteborg Energi AB	Energy efficiency	-	-	-	-	5
Pedestrian and cycle traffic	Urban Environment Committee	Sustainable transport	148	37	72	67	479
Energy efficiency in transport	Urban Environment Committee	Energy efficiency	48	54	25	41	234
Sustainable construction	City Property Committee	Green and energy-efficient buildings	1,384	726	-290	750	3,464
The Future	Förvaltnings AB Framtiden	Green and energy-efficient buildings	489	428	843	1,416	5,695
The Future – Top 15%*	Förvaltnings AB Framtiden	Green and energy-efficient buildings	10,762 **	-	-	-	-
Trams	Göteborgs Stads Leasing AB	Sustainable transport	-	-	-	-	-
Kodamma pumping station	Eco-cycle and Water Committee	Water management	10	70	47	98	297
Solar cell park	Göteborg Energi AB	Renewable energy	-	-	-	14	75
Water and sewage pipes	Eco-cycle and Water Committee	Water management	83	104	28	78	84
Stormwater management	Eco-cycle and Water Committee	Water management	2	11	1	24	28
Brudaremossen landfill	Eco-cycle and Water Committee	Water management	9	8	-	-	46
Hotels	Liseberg AB	Green and energy-efficient buildings	-	-623	1,069	435	342
Electric buses	GS Buss AB	Sustainable transport	-	-	-132	-	132
Commercial premises	Higab AB	Green and energy-efficient buildings	-	-	-	106	144
500 new public charging points for electric cars	Göteborg Energi AB	Sustainable transport	-	-	-	19	-
Replacement of furnaces, Rya HVC	Göteborg Energi AB	Renewable energy	27	48	72	364	-
Björlanda pump chain	Eco-cycle and Water Committee	Water management	48	60	101	59	-
Wadden Sea wetland	Göteborg Port Authority	Biodiversity	-	-	-	47	-
Solar cells LF	City Property Committee	Renewable energy	116	39	26	22	-
Renewal of water pipeline (Reinvestment: water and sewerage)	Eco-cycle and Water Committee	Water management	340	230	145	-	-
District cooling	Göteborg Energi AB	Energy efficiency	42	31	66	-	-
Accumulator tank	Göteborg Energi AB	Renewable energy	2	2	145	-	-
Zinc recycling	Renova AB	Waste management and circular economy	-	4	111	-	-
Flue gas scrubbing	Renova AB	Water management	34	192	63	-	-
Mölnadal river link	Gryaab AB	Water management	40	35	16	-	-
District heating distribution	Göteborg Energi AB	Energy efficiency	296	419	-	-	-
BKV Rya	Göteborg Energi AB	Renewable energy	1,267	-	-	-	-
Total per year			15,504	2,097	2,528	3,644	12,210
Cumulative total			35,982	20,478	18,382	15,854	12,210

* The EU taxonomy framework has established that existing buildings in the top 15 per cent from an energy performance perspective should be considered as sustainable investments. In accordance with its green framework, the City of Gothenburg has decided to apply the top 15 per cent criterion to the City's green project portfolio. The City's methodology is based on a study by Fastighetsägarna (via the consultancy company CIT Energy Management), which has interpreted the 15 per cent standard in the EU taxonomy to identify the most energy-efficient buildings from a Swedish perspective. For apartment buildings, the limit for the primary energy figure is set at 81 kWh/sqm.

** This amount represents the market value of buildings falling within the limit and completed before 1 January 2021.

Disclosure concerning pension obligations

This section provides details of the total pension obligations for the Municipality and the Municipal Group, for the part recognised in the balance sheet and for the part reported outside as a contingent liability.

Amounts in MSEK	Municipal Group		Municipality	
Pension obligation	2024	2023	2024	2023
1. Total pension obligation on the balance sheet plus contingent liability	18,917	16,859	17,437	15,389
<i>a. of which: provision including special employer's contributions</i>	8,571	6,760	7,191	5,392
<i>b. of which: contingent liability including special employer's contributions</i>	10,346	10,099	10,246	9,997
2. Pension obligations secured by pension insurance	1,534	1,603	363	385
3. Pension obligations secured in a pension fund	0	0	0	0
4. Total pension obligation (incl. insurance and fund)	20,451	18,462	17,800	15,774
Managed pension asset – Market value				
5. Total pension insurance capital	1,890	2,023	512	637
<i>a. of which: surplus funds</i>	133	125	110	114
6. Total capital, pension fund	0	0	0	0
7. Financial investments (own managed pension assets)	0	0	0	0
8. Total managed pension assets	1,890	2,023	512	637
Financing				
9. Funds re-invested	18,561	16,439	17,288	15,137
10. Degree of consolidation	9%	11%	3%	4%

Disclosure of own managed pension assets:

The City of Gothenburg does not manage its own pension assets.

Disclosure regarding obligations secured through insurance and/or pension funds:

The obligations secured by pension insurance are all related attributable to pensions accrued before 1998.

The table above shows the total pension obligations of the Municipality and the Municipal Group on the balance sheet and as a contingent liability. The largest portion relates to obligations for pensions and special employer's contributions before 1998. These obligations are not recognised as a provision in the balance sheet, but as a contingent liability pursuant to the Municipal Accounting Act. At 31 December 2024, the Municipality also had accrued defined-contribution pensions totalling SEK 889 million including special employer's contributions.

High inflation affected pension costs for both 2023 and 2024. This is because the defined-benefit pensions are linked to the price base amount, which is based on the inflation rate in June of the previous year.

The City of Gothenburg's guidelines for financing activities state that most of the funds set aside for pension obligations managed by the

City of Gothenburg should be re-invested, which means that they must be used in the City's own operations. The reason for this is that the Municipality is a net borrower, i.e. its financial liabilities are greater than its financial assets. Investing pension assets would then require an increase in borrowing, the Municipality therefore operates on the principle that pension assets should not be invested externally as long as it is a net borrower. The Municipality has no invested pension assets of its own. Pensions earned before 1998 are managed entirely through lending, apart from the insurance redemption of SEK 700 million that was passed under a separate procurement procedure. Pensions earned from 1998 onwards are paid as occupational pension insurance to a contracted pension insurance company, and the employee chooses a pension or unit-linked insurance scheme for the pension contribution to be paid into.



Significant events

This section contains information on significant events and decisions for the Municipal Group and the Municipality that occurred in 2024, and also in 2025 before the annual report was prepared. These events and decisions have had a significant impact on operations and affect the Municipal Group's finances in a number of ways.

The City Council has agreed:

- » on a revised investment decision for the implementation of the local plan for mixed urban development at Järnvägsgatan etc. in the Masthugget district (KF 2024-03-21, para. III)
- » on an implementation decision for parts of Citybuss Norra Älvstranden and the Norra Älvstranden commuter cycle path (KF 2024-03-21, para. II2)
- » to approve the sale of part of the property Masthugget 712:30 to Stena Fastigheter AB and to adjust the lease agreement which was previously approved by the City Council and will be a consequence of a sale (CC 2024-06-19, para. 259)
- » that the development administration is authorised to approve an agreement to purchase the leasehold rights to the properties Masthugget 712:39 and Majorna 721:85 (CC 2024-06-19, para. 260)
- » to approve Liseberg AB's request for financing for the reconstruction of Oceana Vattenvärld (CC 2024-09-12, para. 351)
- » that the Land Development Committee should acquire the Gullbergsvass area from Älvstranden Utveckling AB, a company wholly owned by the City, as part of the City Council's decision of February 2023 to wind up the company (CC 2024-10-10, para. 407)
- » that the City Executive Board and the Committee for the Elderly, Nursing and Care should be instructed to take the necessary steps to take over the operations of Tre Stiftelser (the Göteborgs Sjukhem, Äldershemmet and Otium foundations, and Tre Stiftelser Service Handelsbolag) (CC 2024-12-12, para. 533)

- » that Göteborg Energi AB can invest in local electricity production in order to strengthen electricity capacity and actively help to increase the supply of electricity (CC 2024-11-21, para. 469; CC 2024-12-12, para. 535)
- » a comprehensive plan for Gothenburg – *Planning Strategy 2024-2027* (CC 2024-06-19, para. 257).

The City Council has also approved the following programmes and plans:

- » *The City of Gothenburg skills provision plan 2024-2026*
- » *The City of Gothenburg civil preparedness plan 2024-2027*
- » *The City of Gothenburg water services plan 2024-2027*
- » *The City of Gothenburg plan for work against domestic violence 2024-2027*
- » *The City of Gothenburg climate adaptation plan 2024-2026*
- » *The City of Gothenburg library plan 2024-2028*
- » *The City of Gothenburg programme for equal living conditions and equal health 2025-2030*

During the year, the City Council also approved a number of local plans, including:

- » Local plan for housing on Vågnedalsvägen in the Askim district.

Other important events:

At the beginning of 2024, a new agreement on emergency preparedness and civil defence was entered into between the Swedish Civil Contingencies Agency (MSB) and SKR for the period 2024-2026. Establishing the City of Gothenburg's crisis organisation has been a priority task.

The role of municipalities as waste managers is changing as revisions to the EU Waste Directive are implemented. From 2024 onwards, food waste sorting will be mandatory and kerbside collection of packaging in Gothenburg will be phased in by 2027.

This spring's central collective bargaining for municipalities and regions was more complex than it has been for many years. On 25 April, the dispute with the Swedish Healthcare Workers' Union spread to the regions and on 20 May it was extended to the municipalities. In June, the dispute escalated with further industrial action in the form of strikes in several regions (on 4 and 11 June). A new central agreement was signed on 28 June, ending the industrial action with immediate effect.

Work on the *New arena and urban development in the event area* programme is progressing as planned. The basis for a decision on the overall direction is currently being prepared by the City Executive Board.

In 2024, the City of Gothenburg, together with the Swedish Transport Administration, the City of Borås, the City of Mölndal, the Municipality of Härryda, the Municipality of Bollebygd, Swedavia AB and Region Västra Götaland, signed agreements and contracts for the construction of a new double-track railway between Gothenburg-Mölndal-Landvetter Airport-Borås, with a branch to Mölnlycke. The agreement sets out the parties' undertakings and co-financing responsibilities. For the City of Gothenburg, the agreement entails a financing commitment amounting to SEK 1.1 billion, which will be charged to profit/loss in 2024.

In 2024, the rules changed for people who fled the war in Ukraine and were in Sweden with a residence permit under the Temporary Protection Directive. The new rules mean that anyone who has had a residence permit with temporary protection for one year can register as a resident.

In October, Gothenburg's climate work was awarded an *EU Mission label*, which is a seal of quality for work to accelerate the green transition. To gain approval from the European Commission, the City of Gothenburg outlined its plan for succeeding in the climate transition.

The City of Gothenburg and Greater Gothenburg police have renewed the co-operation agreement called *Trygg i Göteborg*. This provides a holistic approach to co-operation between the City and the police, and with other key actors in society.

Key events after the year-end:

Serneke Sverige AB was declared bankrupt on 7 January. The City has some contracted construction projects with the company, including swimming pools in Kortedala and Askim, and also a new storage facility for the art gallery. These projects will be hit with delays and probably increased costs, although it is unclear how much.

Battery Centre Gothenburg was inaugurated on 24 January. The training centre is the most modern of its kind in Europe and will meet the industry's rapidly growing need for skills in battery production. The training centre is a collaboration between the City of Gothenburg, BRG and the Gothenburg Region.

The battery manufacturer Novo Energy AB announced in January that it was laying off 120 employees. On 29 January, Volvo Cars announced that it was buying out Northvolt and taking full ownership of Novo Energy. Novo Energy's announcement may mean that the take-up rate for planned training activities at the training centre will be lower than planned to begin with.



TILL RAMBERGSSTADEN

Management and monitoring of municipal operations

The broad scope and diverse tasks of the City's organisation mean that management processes must be continuously monitored to ensure they remain efficient and effective. This section describes important factors relating to the governance, monitoring and internal control of the operations conducted by the Municipal Group and the Municipality.

Governance frameworks

The City of Gothenburg's governance system integrates planning and monitoring, risk management, internal governance and control, and quality management. The governance, monitoring and control of activities by committees and company boards must be systematic, preventive and development-oriented. The City's guidelines for governance, monitoring and control are therefore based on the PDSA model (plan, do, study, act) in order to clarify what is expected of committees and company boards in the various phases of governance. Generally this requires committees and company boards to an effective system for governance, monitoring and control which is documented in areas where this is considered helpful. The term 'system' here refers to the framework of methods, structure and culture that the committee and administration or the board and the company use to guide them towards achieving goals and fulfilling assignments. The scope of governance, monitoring and control must always be based on an assessment of the costs and benefits of control.

Evaluation of governance, monitoring and control

Committees and boards must assess their operational management systems each year to ensure that they are satisfactory in meeting the general requirements set by the City Council. The assessment must be carried out every year as the management system is affected by changes inside

and outside the organisations. There are criteria to support the assessment, covering both structure and methods and organisational culture. A sufficiently effective management system should provide management with relevant information to enable decision-makers at different levels to make informed decisions and so take responsibility for the service. This applies whether it involves planning activities, risk assessments, results from internal control and deviation management, analyses and conclusions on outcomes or decisions on improvement measures. The management system should also support a communicative and open climate and behaviour that are compatible with the requirements of public administration, and that contributes to the best interests of the service.

The committees' and boards' overall assessment for the year is that the management systems are sufficiently effective and that they address the areas that need strengthening.

At the same time, the picture of governance, monitoring and control provided by the reports from the services needs to be supplemented with information from supervision and data from audits. Inquiries carried out by the City's whistleblower function (see below) show deficiencies in parts of the organisation, which underline the fact that an effective system of governance, monitoring and control is entirely dependent on the attitude of the organisation, and in particular top management.

Guiding documents

The City of Gothenburg should not have more governing documents than are needed to manage its operations. Excessive documentation could reduce transparency, for the public and for City operations. Since 2020, the City Council has focused on the need to make control through governing documents more effective, through a number of mandates, in order to improve the conditions for compliance.

This includes reducing the number of plans and programmes, reducing the number of objectives to avoid target overload and parallel management, and avoiding new measures and initiatives that are already part of the basic tasks of committees and boards or are already regulated by legislation. It also requires programmes and plans to be primarily implemented by the committees/administrations and boards/companies that have control over the matter in question and whose efforts are most effective and beneficial for citizens, users and customers.

All City-wide programmes and plans have been reviewed and decisions have been taken on in-depth follow-up tasks, including a review of governance in the area of human rights, job and gender equality and public health. In December, the City Council decided on a new "Programme for equal living conditions and health 2025-2030", replacing two existing programmes.

The City of Gothenburg Executive Office has been working for some years on the long-term management of human rights issues, to make a greater impact in this area. In 2024, the City Executive Board was tasked with producing a guideline with the aim of strengthening the City of Gothenburg's work on human rights and equivalent service, as part of its efforts to adapt programmes and plans in the area of human rights to an consistent structure and provide proposals for the next steps in long-term governance of the area.

In the urban development area, work is under-way on a new structure for governing documents. The new structure raises the need to revise the selected policy documents, not least to align governance processes with the organisational change implemented in 2023.

New structure for monitoring

In connection with the 2024 budget, the City Executive Board was tasked with reviewing the follow-up and getting back to the City Council

with a proposal for a new follow-up. They reported back to the City Council in March 2024. In carrying out this tasks, the City of Gothenburg Executive Office reviewed the forms of and content of the monitoring, and how the monitoring of the basic tasks of the committees and boards, and the goals, programmes and plans, and assignments of the City Council can be developed.

In its report to the City Council, the City of Gothenburg Executive Office noted that there was scope to develop both the content of the follow-up and the way in which the reporting is handled. The City of Gothenburg Executive Office intends to continue the work that has been started and also to combine the reporting to the City Council and the City Executive Board on follow-ups of programmes and plans in order to improve transparency.

Whistleblower function

In 2024, the City's whistleblower service received a total of 214 reports of misconduct. Of these, 93 were judged to warrant investigation by the whistleblower function. Other reports were sent directly to the administrations or companies concerned, as they were deemed to fall outside the remit of the whistleblower function. Inquiries where the suspicions were confirmed or resulted in action mainly concern conflicts of interest, improper purchases, bribery/corruption or use of City property. In 2024, the whistleblower function also engaged a third party to investigate a report where the circumstances were felt to call for a more extensive review.

In 2024, the approach to online whistleblowing was changed to ensure that whistleblowers fall within the right group of people to receive the protection provided by the Whistleblowing Act. There are now two ways to report irregularities. Employees of the City of Gothenburg can remain completely anonymous and raise a report via the City's internal website. The external website is still open for input.

Sound financial management and financial position

This section assesses whether the operations are developing in line with sound financial management. The assessment includes a financial and an operational perspective, based on the guidelines adopted by the City Council.

The overall assessment from both a financial and an operational perspective is that the City of Gothenburg had sound financial management in 2024. The economic objectives show a stable and positive trend over time, and although the overall assessment of the operational objectives does not currently appear to show full target attainment, the data indicate that the trend within the 7 objectives is positive and will benefit the City in the longer term.

The City Council has adopted guidelines for good financial management in accordance with the Local Government Act. The guidelines set out a long-term and strategic perspective for operations and finances that extends beyond the budget perspective of one or three years. No overall budget is compiled for the Municipal Group. Good financial management includes a financial and an operational perspective. The principle underlying the financial perspective is that each

generation should bear the costs of the services it consumes. This means that no generation should have to pay for the services that a previous generation has used. The principle underlying the operational perspective is that the Municipality should conduct its operations in a cost-effective and efficient manner. The Annual Report assesses whether the Municipality and the Municipal Group are developing in line with good financial management. The assessment should also identify any need to adjust the targets in future budgets to maintain the long-term goals in the guideline.

The outcomes for 2024 and over a ten-year average exceed the targets set by the City Council. Good financial management is therefore deemed to be in place from a financial perspective. As the City Council has not identified any specific goals for sound financial management, all of the overarching targets in the budget may be regarded as operational targets for this purpose.

Overall goals of the City Council

Goal	Assessment by the City of Gothenburg Executive Office
Gothenburg will be an equal and safe city where all residents have a say and are able to participate.	The goal is unlikely to be achieved within the mandate period.
Segregation in Gothenburg will be broken down.	The goal is unlikely to be met within the mandate period.
Gothenburg will manage the supply of skills.	The goal is achievable within the mandate period.
Gothenburg will be developed into a green and vibrant city with no housing shortage.	The goal is achievable within the mandate period.
Gothenburg will be a leader in the climate transition and have a high level of biodiversity.	The goal is unlikely to be met within the mandate period.
The City of Gothenburg will have a welfare system that meets the needs of its citizens.	The goal is achievable within the mandate period.
The City of Gothenburg will provide its employees with a good working environment and good working conditions.	The goal is achievable within the mandate period.

In the autumn of 2023, the City Council adopted new overall goals for its activities. They were followed up for the first time in 2024. The goals provide a clear direction for the City's services in deciding what to prioritise in the short and longer term. Work is ongoing within the City's services and the parts that make up the whole will work to

make the City socially, economically and ecologically sustainable in the long term. The goals are considered difficult to achieve within the mandate period, but the developments taking place in the areas covered by the goals are positive and show that the work being done is moving in the right direction.



Financial targets for the City

The interpretation of good financial management in the City is based on four focus areas with long-term targets. One of these sets a minimum level for the Municipal Group's overall equity/assets ratio. The other three targets relate to the Municipality and are set as ten-year average values for earnings, self-financing of investments, and balance in land development activities. The long-term focus areas are taken into account in preparing the City's budget, which sets annual targets. At the same time, the ten-year perspective allows target values for individual years to be set at a higher or lower level than those specified in the guideline where this is justified by the economic situation, for instance. The tables below

show the outcomes for the year in relation to the targets set in the budgets for 2024. The upper table shows the outcomes and targets for the individual year 2024.

The lower table shows the outcomes and targets for the ten-year average. The outcomes for 2024 and as ten-year average exceed the targets set by the City Council in the 2024 budget, except for development activities where the self-financing rate is slightly below the target set in the budget. However, the self-financing rate continues to exceed the long-term target of a balance in the development operations. Good financial management is therefore deemed to be in place from a financial perspective.

Target values according to budget proposal for sound financial management

Focus areas	Target 2024	Outcome 2024
The equity/assets ratio for the Municipal Group should be 15 per cent, including contingent liability for pension obligations	15%	26%
Earnings as a proportion of tax revenue, general state subsidies and equalisation	0.3%	1.5%
Level of self-financing of investments	57%	99%
Land development activities should be in balance over a rolling ten-year period	117%	110%

Outcome of budget proposal in the long-term focus areas for sound financial management

Focus areas	Target 2024 rolling ten-year basis	Outcome 2024 rolling ten-year basis
The equity/assets ratio for the Municipal Group should be 15 per cent, including contingent liability for pension obligations	15%	26%
Over a rolling ten-year period, earnings should be at least 2 per cent of taxes, general state subsidies and equalisation	4.5%	4.7%
The level of self-financing of investments should be at least 50 per cent over a rolling ten-year period	101%	108%
Land development activities should be in balance over a rolling ten-year period	117%	109%

Financial analysis of the Municipal Group

This section provides a financial analysis of the Municipal Group, which includes the Municipality and municipal group companies.

Budget performance

Amounts in MSEK	Outcome	Budget*	August forecast	Outcome, previous year
Municipality	899	129	1,310	1,070
Companies	1,108	907	681	-93
Group adjustments**	-1,599	-750	-910	-210
Group total	408	286	1,081	767

Comparative figures for 2023 for Group adjustments and Group total have been adjusted by SEK 136 million as a result of a correction.

* The City Council does not take any budget decisions for the companies or the Group as a whole. The budget for the Group stated in this table is the sum of the City Council's approved budget for the Municipality and the companies' own approved budgets. The budgeted Group adjustment refers to the Municipality's budgeted dividend from Stadshus AB.

** Includes joint statutory authorities

The Group's earnings of SEK 408 million represent a positive deviation from the combined budget for the Municipality and companies of approximately SEK 122 million, but a negative deviation from the forecast presented in the interim report in August. The Municipality reports a positive deviation from the budget of SEK 770 million. This includes a dividend of SEK 750 million from Göteborgs Stadshus AB, which is eliminated from the Group earnings. For the Municipality, the outcome for the year is mainly due to the committees, which performed well in 2024 to exceed the budget by almost SEK 1 billion. Items affecting comparability such as capital gains and developer contributions also had a positive impact. The outcome includes a provision of SEK 1.1 billion for co-financing the expansion of the Gothenburg-Borås rail link, which was not budgeted.

The Group reports a positive deviation from the budget of SEK 201 million, which is primarily due to stronger results in the housing and energy sectors and in port and building operations. Among other things, Göteborgs Hamn AB shows a positive deviation of SEK 283 million as a result of a volume increase in the Energy area and price adjustments to rents and leases. The Higab Group shows a positive deviation of SEK 523 million as a result of capital gains from property sales within Higab AB and Älvstranden Utveckling AB, as well as higher earnings from parking services, among other things. Within the Framtiden Group, the outcome is SEK 153 million over

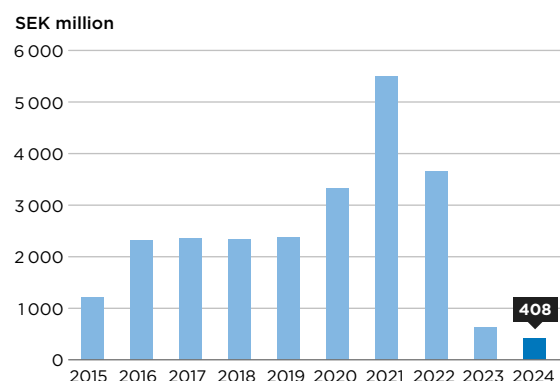
budget. This is mainly due to positive effects from items affecting comparability such as the reversal of previous write-downs. The energy Group also has an improved outcome against budget of SEK 8 million, with the electricity grid and electricity trading activities accounting for most of the Group's earnings. The Göteborg & Co AB Group has a negative deviation from the budget totalling SEK 420 million, the main reason being an impairment loss of SEK 484 million resulting from the fire at the Liseberg AB's Oceana water park in February 2024. Göteborgs Stadsteater AB has a deficit against budget due to higher staff and building costs, while Got Event AB shows a positive result against budget linked to increased revenue from events.

Net earnings for the year and earnings trend

The Municipal Group's net earnings for 2024 are SEK 359 million lower than the result for 2023, which was then the weakest result in the last ten years. Earnings continue to be affected by external factors, which have an impact on growth and cost levels despite falling inflation and interest rate cuts during the year. Both the Municipality and the companies show better outcomes compared with the budget, but the earnings at Group level are pulled down by high Group adjustments, which reduced the total earnings by almost SEK 1.6 billion. These adjustments are mainly to internal profits on sales between companies and

administrations within the Group, and elimination of the dividend between Göteborgs Stadshus AB and the Municipality. Capital gains for both the Municipality and companies increased compared with the previous year and total around SEK 1.5 billion in 2024, compared with SEK 0.5 billion in 2023.

Net earnings for the year



Investments and financing

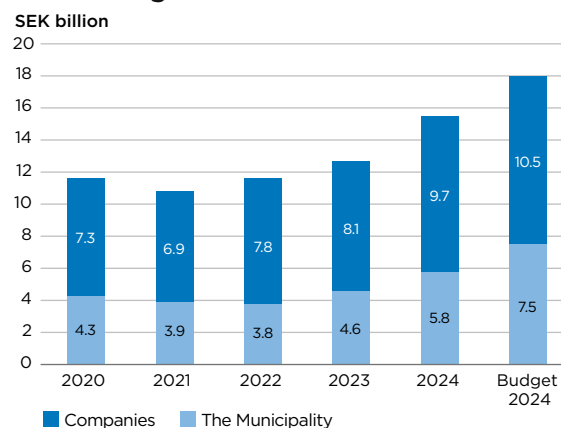
The Group's net investments during the year totalled SEK 15.5 billion, which represents a significantly higher rate of investment than in 2023, when the net investments amounted to SEK 12.7 billion. The companies' investments increased by SEK 1.6 billion compared with the previous year. In particular, the Framtiden Group (housing) and the Göteborg Energi Group report significantly higher investments than before. The increased investment volume within the Framtiden Group is attributable, among other things, to the acquisition of building rights in Karlastaden. The Göteborg Energi Group reports increased investments in district heating in particular.

The committees' net investments totalled SEK 5.8 billion, an increase of SEK 1.2 billion compared with the previous year. Major investments were made during the year, including in municipal premises, water and sewerage facilities and infrastructure. The Land Development Committee accounts for most of the increase from the previous year. The main reason for this is the acquisition of the Gullbergsvass property from Älvstranden Utveckling AB for SEK 850 million. Despite the large increase in 2024, the budgeted rate of investment has not been fully realised as planned. Overall, net investment is around SEK 2.5 billion under budget. Most of the deviations are explained by time lags.

The overall investment outcome represents a further shift in the level of the Group's investments. This development affects both the City's long-term financial situation relating to borrow-

ing, increased interest rate sensitivity and the long-term financial commitment that it implies, both within the Municipality's operations financed through taxes and in the Group as a whole.

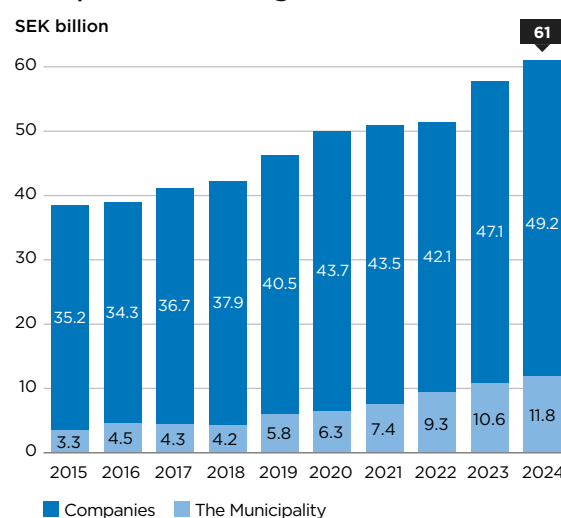
Net earnings from investments



The Group's borrowings totalled SEK 61 billion at the end of the period. Borrowings increased by SEK 3.3 billion in 2024. Some of this increase was a consequence of the increased volume of investment, but it was mainly due to lower earnings than before. All in all, this meant that a larger share of investments had to be financed through borrowing.

At the end of the year, the companies' borrowings totalled SEK 49.2 billion, of which SEK 26 billion is related to the Framtiden Group. Borrowing by the Municipality totalled SEK 11.8 billion. Over the past ten years, the Group's borrowings have increased by approximately SEK 22 billion. This development mainly reflects growing investment needs. The increase in the volume of investment is attributable to a growing population, increased ambitions in urban development and a substantial need for reinvestment. In the long term, the need for investments in climate change adaptation will also increase.

Group net borrowing



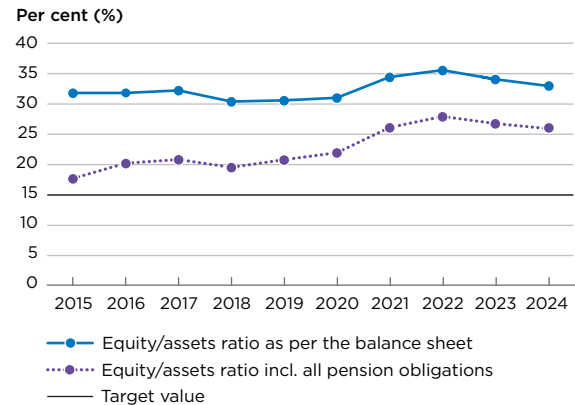
Equity/assets ratio

The total book value of the Group's assets increased by SEK 7.7 billion to SEK 145 billion in the annual accounts. The relatively weak earnings mean that the Group's equity did not rise in line with its assets. The equity/assets ratio, which shows the proportion of assets financed by equity, thus fell slightly and was reported at 33 per cent in the annual accounts. The equity/assets ratio according to the fully funded model, which includes all pension obligations, also decreased slightly and amounted to 26 per cent in the annual accounts.

According to the Municipality's guidelines for sound financial management, the Group's equity/assets ratio, including all pension obligations, should be at least 15 per cent. Although the

equity/assets ratio fell during the year, it is still above the long-term target value.

Equity/assets ratio



Income statement for the committees, joint statutory authorities and companies

MSEK	Committees	Joint statutory authorities	Companies	Group eliminations	Municipal Group
Operating income	12,191	563	24,323	-5,750	31,327
Operating expenses	-50,220	-508	-18,474	4,337	-64,865
Depreciation/amortisation	-2,551	-26	-3,719	510	-5,786
Net operating expenses	-40,580	29	2,130	-903	-39,324
Tax revenue	36,086	0	0	0	36,086
General state subsidies and equalisation	5,165	0	0	0	5,165
Net earnings	671	29	2,130	-903	1,927
Financial income	2,563	7	307	-2,522	355
Financial expenses	-2,335	-37	-1,328	1,826	-1,874
Earnings after financial items	899	-1	1,109	-1,599	408
Extraordinary items	0	0	0	0	0
Net earnings for the year	899	-1	1,109	-1,599	408

Balance sheet for the committees, joint statutory authorities and companies

MSEK	Committees	Joint statutory authorities	Companies	Group eliminations	Municipal Group
Non-current assets	113,922	431	81,343	-63,825	131,871
Infrastructure subsidies	27	0	0	0	27
Current assets	8,312	252	8,456	-4,146	12,874
Total assets	122,261	683	89,799	-67,971	144,772
Equity	37,030	68	25,295	-14,723	47,670
Provisions	8,610	449	6,675	-75	15,659
Non-current liabilities	54,691	1	41,247	-40,784	55,155
Current liabilities	21,930	165	16,582	-12,389	26,288
Total liabilities and equity	122,261	683	89,799	-67,971	144,772

Financial analysis of the Municipality

This section provides a financial analysis of the Municipality, excluding the municipal group companies.

Budget performance

Amounts in MSEK	Outcome	Budget	August forecast	Outcome, previous year
Earnings, committees	997	-1	429	-199
Earnings, central municipal items	-820	-1,320	-1,239	27
Earnings before items affecting comparability	176	-1,321	-810	-172
Capital gains*	808	700	920	454
Dividend	750	750	750	315
Developer contributions	265	-	450	473
Provision for new Gothenburg-Borås rail link	-1,100	-	-	-
Earnings after items affecting comparability	899	129	1,310	1,070
Earnings according to balanced budget requirement	73	-571	372	616
Utilisation of equalisation reserve	-	571	-	-

* The capital gains line includes a capital loss of SEK 18 million. Earnings according to balanced budget requirement are based on total earnings (SEK 899 million) minus all capital gains (SEK 826 million).

The earnings for the year of SEK 899 million represent a positive deviation from the budgeted result of SEK 770 million. The positive deviation meant that the budgeted use of the equalisation reserve was not required. The surplus in relation to the budget is mainly due to the strong earnings from the committees. Overall, the committees report a positive deviation from the budget of almost SEK 1 billion. From the latter part of last year onwards, the services made adjustments to meet the higher general price levels. The financial frameworks for several committees were also strengthened during the year as the City Council allocated around SEK 300 million in increased municipal subsidies in supplementary budgets. The committees' forecasts have gradually strengthened over the year. Compared with the forecast given in the interim report in August, the committees' net earnings improved by almost SEK 600 million.

The Municipality as a whole reports net earnings of SEK -820 million, which represents a positive deviation of SEK 500 million from the budget. The deviation is partly due to the fact that developments in the committees have meant that the general municipality reserve to handle financial uncertainties was not used. There was also a positive deviation from the budget

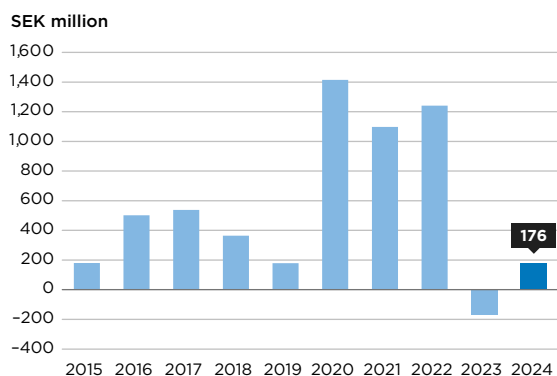
of approximately SEK 200 million linked to the Group Bank's deposits and lending during the year. Revenue from taxes, general state subsidies and equalisation was also around SEK 90 million higher than budgeted.

In addition to deviations for the committees and for the central municipal items, earnings were also affected by a number of items affecting comparability. Capital gains amounted to SEK 808 million, which was SEK 108 million more than budgeted. The dividend from Göteborgs Stadshus AB was SEK 750 million in line with the City Council's budget. Income from developer contributions totalled SEK 265 million. As developer contributions are subject to significant uncertainties, they are not budgeted. All of this income therefore constitutes a deviation from the budget. The earnings for the year are also affected by the agreement on the Gothenburg-Borås rail link. For the City, this involves co-financing of around SEK 1.1 billion, which will be charged to profit/loss in 2024. This decision was taken by the City Council in October and was not included in the forecast given in the interim report in August.

Net earnings for the year and earnings trend

Adjusted for items affecting comparability, the Municipality's so-called structural earnings amount to SEK 176 million. This represents an improvement compared to 2023, but is still weak from a longer-term perspective. Economic conditions during the year were challenging, and heavily affected by the current recession. Although inflation and interest rates have gradually fallen back, the decline has not led to lower prices but to a stabilisation at the new high price levels. The increase in the price base amount for 2024 has also had a major impact on local government pension costs, which have risen sharply. Rising unemployment has also slowed the growth of the tax base, and the Municipality's tax revenue has therefore increased less than normal.

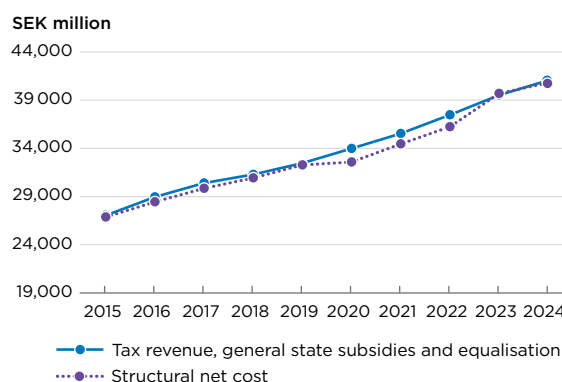
Structural earnings



The chart below shows the difference between the development of tax revenue including general state subsidies and equalisation, and the development of net operating expenses excluding items affecting comparability for the last ten years. Revenue increased by 4.4 per cent in 2024, compared with an average increase of 4.8 per cent over the past ten-year period. Revenue growth has thus been weaker than normal from a historical perspective.

Net expenditure increased by 3.8 per cent in 2024. This compares with 2023, when it rose by 9.4 per cent. Over the past decade, costs have increased by an average of 4.9 per cent per year. The smaller rise in costs in 2024 is partly an effect of inflation and interest rates gradually falling back during the year, but also reflects changes to the services made by the committees. Although cost inflation moderated during the year, 2024 as a whole was a year in which economic margins were smaller than normal.

Development of tax revenue and net costs

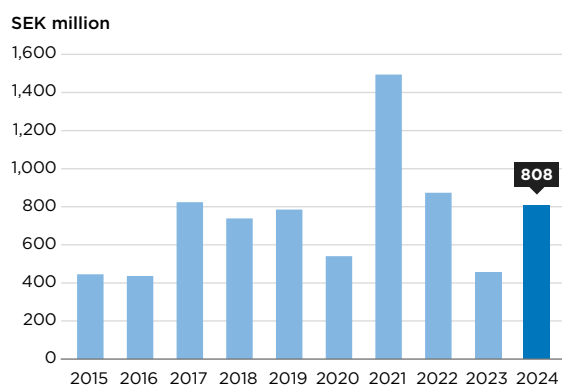


Structural net cost refers to net cost excluding items affecting comparability.

Items affecting comparability

Among items recognised outside of structural earnings, capital gains had a particularly significant impact on the City's results over the past decade. Capital gains come from sales of non-current assets and also from land development activities. As the scale of development activity has grown in recent years, capital gains have also increased. Since 2015, the annual capital gains have varied between SEK 500 million up to a maximum of SEK 1,500 million in 2021. In 2024, capital gains totalled SEK 808 million, which is in line with the average for the last ten-year period.

Capital gains

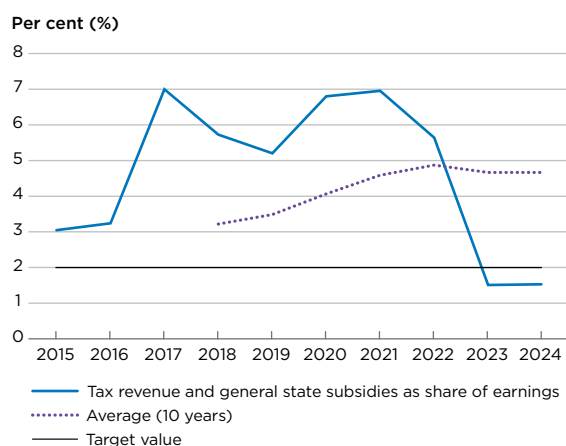


Earnings in relation to tax revenue and general state subsidies

The City of Gothenburg's long-term earnings target requires earnings to be at least 2 per cent of taxes, general state subsidies and financial equalisation over a rolling ten-year period. The two per cent earnings target is intended to create scope for reasonable self-financing of the year's investments. If the target is not met, the need for external funding increases.

The City's goal requires the 2 per cent target to be achieved without including income from developer contributions. Earnings in 2024, excluding developer contributions, were just over SEK 600 million, which is equivalent to 1.5 per cent of tax revenue, general state subsidies and financial equalisation. Earnings for the year are thus below the long-term earnings goal for the City. However, earnings were considerably stronger than budgeted and over a rolling ten-year period average earnings are above the goal.

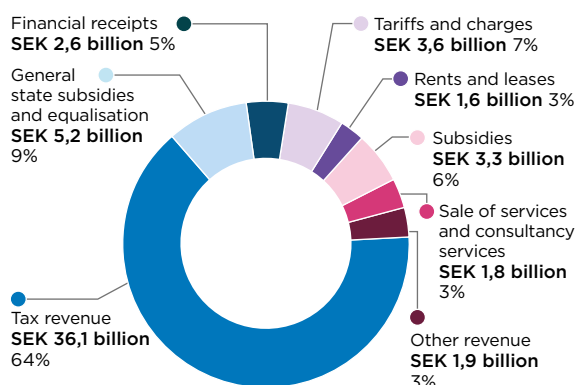
Result in relation to tax revenue and general state subsidies



Receipts and expenses for the year

Total income for the year amounted to SEK 56.0 billion for the Municipality. Tax revenue combined with general state subsidies and financial equalisation accounted for 73 per cent of total revenue. Together, they totalled SEK 41.3 billion, an increase of SEK 1.7 billion on 2023. Other revenue of significance to the Municipality mainly includes tariffs and charges, which together account for 13 per cent of the Municipality's income. The subsidies are mainly targeted subsidies from the government aimed at financing a specific purpose or project.

Revenue

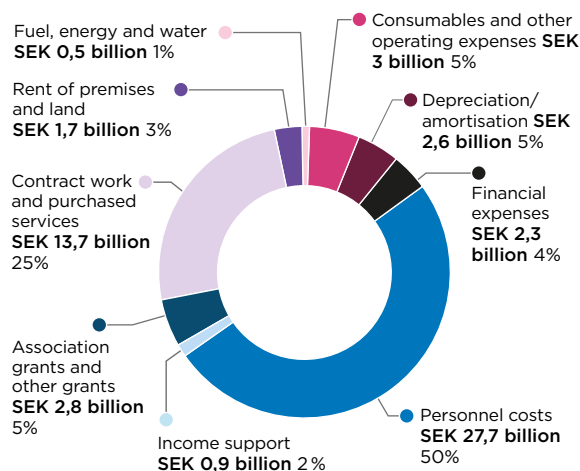


Total costs for the year amounted to SEK 55.1 billion, an increase of SEK 3.4 billion compared to 2023. Staff costs totalled SEK 27.7 billion, accounting for around half of total costs. Compared to 2023, staff costs increased by SEK 1.0 billion, or around 3.7 per cent. The increase is mainly due to a sharp rise in pension costs during the year. The price base amount for 2024 was up significantly from 2023, which had a major impact on the City's pension costs, as these are valued based on the price base amount.

Contract work and purchased activities are the other major cost item. These costs totalled SEK 13.7 billion in 2024, accounting for around 25 per cent of total costs. Compared to 2023, these costs rose by around 5 per cent.

Depreciation increased by just over SEK 200 million and amounted to approximately SEK 2.6 billion. The increase in depreciation is a long-term trend and a consequence of growing investment volumes. Depreciation, amortisation and other investment-related operating costs will continue to rise in the coming years as the City is in a phase of extensive investment.

Costs



Investment and financing

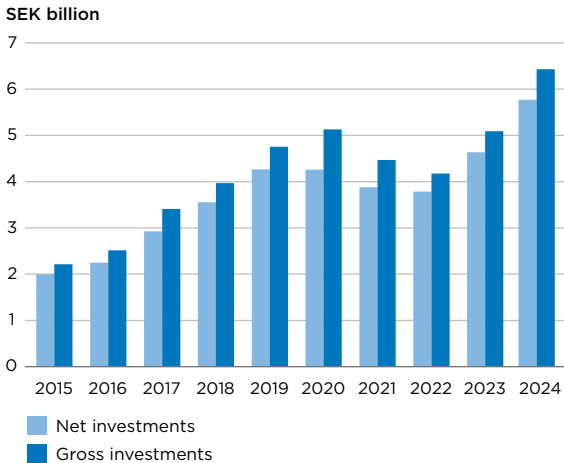
The committees' investment expenditure totalled SEK 6.4 billion in 2024. State investment subsidies and other investment income totalled SEK 0.6 billion during the year, giving net investment income of around SEK 5.8 billion. After the long-term trend of growing investment volumes slowed down somewhat in recent years, this year's results again show a relatively big increase in this area. The higher long-term investment volumes are a consequence of both ongoing urban development and the need to upgrade existing facilities, and a growing population. In 2024, investments are also

affected by the acquisition of the Gullbergsvass property from Älvstranden Utveckling AB for SEK 850 million.

The growing investment needs pose a major challenge for the City in the coming years. Not only does the implementation itself place high planning demands on the organisation, but high demands are also placed on earnings levels if the long-term financial targets for self-financing and the equity/assets ratio are to be achieved over time.

Despite the large increase in 2024, the budgeted rate of investment has not been fully realised as planned. Overall, net investment is around SEK 1.7 billion under budget. The deviations can mainly be attributed to delays in planning and implementation, as an increasing proportion of investments consist of large and complex projects that carry a greater risk of problems, with a bigger impact on overall investment volumes.

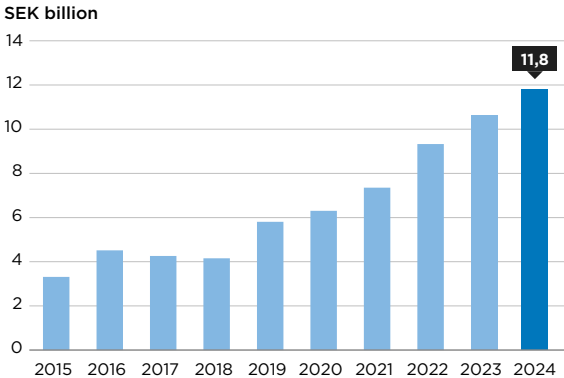
Investments



The chart below shows the evolution of municipal net borrowing over the last ten years. Over the whole ten-year period, net borrowing went from around SEK 3.3 billion to SEK 11.8 billion. In 2024, net borrowing increased by SEK 1.2 billion. The development of net borrowing generally reflects the extent to which the City is able to fund investments on its own. The increase in net borrowing over time can thus be largely attributed to the relatively substantial increase in investment volumes during the corresponding period. Although earnings levels have been high for many years, investments have not been fully financed from the Municipality’s own resources. The increase in debt in 2024 was lower than budgeted because the Municipality’s earnings

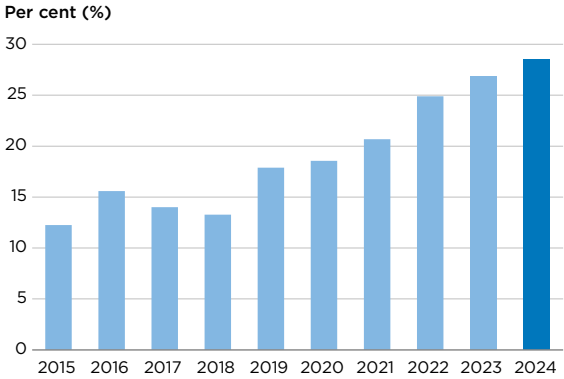
exceeded expectations and investment volumes fell short of the rate given in the budget.

Development of net borrowing



One way of analysing net borrowing is to measure it in relation to taxes, general state subsidies and equalisation. In Gothenburg, net borrowing has risen from around 12 per cent of tax revenue, general state subsidies and equalisation in 2015 to 29 per cent in 2024. The growth of net borrowing in relation to revenue means that in the long term, financial costs will take up a larger share of taxes and state subsidies, and the financial risks will increase.

Net borrowing as a proportion of taxes, general state subsidies and equalisation



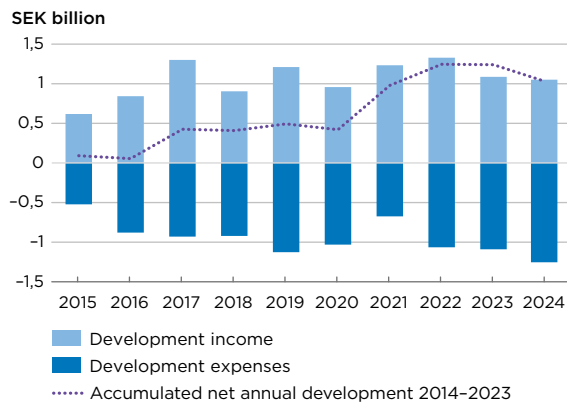
Development activities

The chart below shows the change in development investment over the last ten years for projects linked to the development of neighbourhood sites and public spaces. Expansion of the public water and sewage system and associated connection fees are excluded from the reported development investments.

In 2024, the Municipality’s total development income amounted to SEK 1.1 billion and development expenditure to SEK 1.2 billion. This results in a net outcome for the year of approximately

SEK -0.2 billion. The outcomes for the year were significantly lower than budgeted. Income deviated more from the budget than expenditure, which means that the net operating income was around SEK 0.8 billion lower than budgeted. However, the pace of development remains on a par with expenditure levels in recent years and to some extent reflects the annual implementation capacity of the City.

Development investments 2015-2024



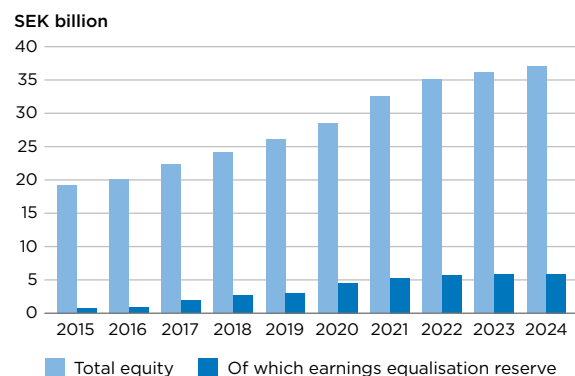
The unbudgeted negative net development figure for the year means that the ten-year rolling accumulated net development is down to around SEK 1 billion, which means a reduced buffer to handle development activities in the coming years. The result also means that the long-term level of self-financing is down from 113 to 111 per cent, which alters the basis for budgeting and urban planning in the coming years compared to the current plan.

The accumulated ten-year surplus and the level of self-financing should also be viewed in the light of the current economic situation, with a continued increase in costs alongside a sharp slowdown in demand for housing and business premises and a decreased willingness to pay for building rights and land. This means that there are significant risks associated with financial developments in the land development area in the coming years. This will depend on how the market recovers and on the consequences of the reduced estimate of expected population growth, which was further updated during the year.

Equity and earnings equalisation reserve

Municipal equity was boosted by earnings of SEK 899 million during the year and is reported as SEK 37.0 billion in the annual accounts. SEK 5.8 billion of this equity is what is known as the earnings equalisation reserve. The reserve has been built up from past surpluses and is allowed by law to be used to equalise revenues over a business cycle. The equity/assets ratio, which shows the ratio of equity to total assets, decreased slightly to 30.3 per cent in the annual accounts. The equity/assets ratio according to the fully funded model, which includes all pension obligations, fell from 23.0 to 21.9 per cent. However, the Municipality's equity/assets ratio is heavily affected by the fact that the Municipality manages net borrowing for the whole Group through the Group Bank. For the Municipal Group, where internal balances are eliminated, the equity/assets ratio is more relevant.

Equity and earnings equalisation reserve



Conclusions regarding earnings and financial position

The economic conditions for the Municipality have been dominated by the current recession. The growth in the tax base has slowed down and the increase in the price base amount for 2024 has had a major impact on the Municipality's pension costs, which have risen sharply. At the same time, the services have made adjustments that have held back cost increases in the committees. Although the Municipality's overall earnings are weak, seen from a historical perspective, the development in the committees means that the earnings still show a positive deviation from the budget and the budgeted utilisation of the earnings equalisation reserve was not ultimately needed.

The companies also report earnings in excess of the budget and, compared to the previous year, earnings for the City's companies have recovered significantly. The recovery is also broad-based,

with contributions from the housing and energy sectors, as well as from the port and accommodation sectors.

Despite positive deviations for the Municipality and companies, the overall earnings for the Municipal Group are historically very weak when Group adjustments are made for the companies' dividends paid to the Municipality and for internal capital gains arising from sales of property between the Municipality and municipal group companies. The Group's low earnings combined with growing investment volumes mean that borrowings have continued to grow and the Group's equity/assets ratio has fallen for the second year in a row. Overall, the Group's financial position therefore weakened slightly in 2024. However, despite a slight weakening in 2024, the equity/assets ratio remains above the target value set by the City Council.



Balanced budget requirement

The balanced budget requirement means that municipalities and regions cannot adopt a budget where costs exceed income. If the net earnings at the end of the year turn out to be negative, this must be offset by surpluses within three years. A balanced budget requirement analysis is conducted annually to establish whether the requirement has been met.

Balanced budget requirement analysis

Amounts in MSEK	2024
Net earnings for the year according to the income statement	899
–All capital gains	–826
+Capital gains applying exemption option	-
+Certain capital losses applying exception option	-
–/+Unrealised gains and losses on securities	-
+/- Reversal of unrealised gains and losses on securities	-
Net earnings for the year after adjustments to meet balanced budget requirement	73
–Provision of funds for revenue reserve	-
+Use of funds from revenue reserve	-
+Use of funds from earnings equalisation reserve	-
Balanced budget requirement	73

The earnings for the year according to the income statement form the basis for compliance with the requirement for a balanced budget laid down in the Local Government Act. According to the current rules, the earnings for the year must be reduced by all capital gains in the balanced budget requirement analysis. After adjustments to meet the balanced budget requirement, the earnings for the year come to SEK 73 million. The City of Gothenburg therefore meets the statutory balanced budget requirement in 2024.

Changes to the Local Government Act mean that it is no longer possible to set aside additional funds in the earnings equalisation reserve (EER). Until 2033, however, funds can be allocated from the earnings equalisation reserve to equalise

earnings over a business cycle. As the EER can only be utilised to cover a negative balanced budget requirement, use of the EER is not relevant in 2024.

Instead of setting aside funds in the EER, it will be possible from 2024 to place funds in a so-called revenue reserve (RER) to be used in the event of unforeseen increases in expenditure or shortfalls in income. The law allows for earnings in excess of 1 per cent of taxes, general state subsidies and equalisation to be set aside. As the earnings for the year, after balanced budget adjustments, are below the threshold for provisions to the RER, no provisions may be raised in 2024.

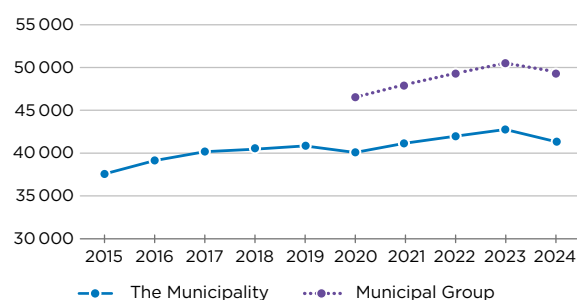


Significant personnel-related conditions

This section describes significant personnel-related matters in the Municipal Group and the Municipality. This includes information on the number of employees, their ages and gender distribution and the trend in the number of hours worked. The section also reports on employees' sick leave and factors relating to staff availability, skills provision, leadership and salaries.

The number of hours worked in the City of Gothenburg has fallen compared with the previous year and staff turnover has decreased. This reflects the financial situation of committees and boards together with the changing demographics. The long-term skills shortage remains, although the short-term conditions are favourably affected by economic and financial factors. Absence due to sickness is unchanged compared to the previous year and amounts to 7.8 per cent in the Group.

Number of full-time equivalents



Staff volume is a measure of the total time worked and is expressed as the number of full-time equivalents. Compared with December last year, the number of full-time equivalents (FTEs) has decreased by 2 per cent in the Group, to around 49,900 FTEs at the end of the year. This largely comes from adapting the organisation to the economic situation. The demographic situation, with stagnating population growth, is another factor.

The number of full-time equivalents (FTEs) in the committees up to the end of December was 41,650, a decrease of 2.6 per cent. Staff numbers have decreased in the Compulsory School Com-

mittee, the Pre-school Committee, the Committee for the Elderly, Nursing and Care and the Committee for Disability Support in particular. Back in 2023, the Compulsory School Committee started an adjustment process to reduce its headcount in relation to its budget and this process had the intended effect in 2024. The Pre-school Committee carried out extensive restructuring work during the year to adapt its activities to the financial framework and a reduced number of children. The Committee for Disability Support and the Committee for the Elderly, Nursing and Care have reduced the numbers in user-facing occupational groups, mainly to adapt the organisation to the financial constraints. The number of FTEs in the four urban development committees has increased overall since the new organisation came into force. Based on reports from the four committees, part of the reason is that the new organisation started out with a high vacancy rate, new tasks such as security and civil preparedness have been added and/or expanded, and the administrations have increased their resources as the need for collaboration has grown. Once new ways of working have been implemented, the four administrations see the potential for more efficient, transparent and coherent operations over time.

In the companies, there have been minor changes overall, with the number of FTEs increasing by 1.2 per cent. There was an increase in the number of employees at Göteborgs Spårvägar and Göteborg Energi during the year. At Göteborg & Co and Liseberg, there were reductions in the number of FTEs during the year linked to staff reductions following organisational reviews.

The proportion of time worked by hourly paid staff during the year was 6.1 per cent for the Group, a decrease of 0.7 percentage points compared with the previous year. In the committees, the share is 4.7 per cent, a decrease of 0.6 percentage points.

Number of employees

The number of employees varies over the course of a year and is therefore always measured for a single month, December. The total number of employees is the sum of permanent, fixed-term and hourly paid employees.

In December, the total number of employees in the Municipal Group was 57,450. Of these, 48,100 were employed by the Municipality and 9,350 by companies and emergency services. Compared with the previous year, the number of employees in the Group fell by just over 300. This is mainly due to a decrease in fixed-term employees in the Committee for the Elderly, Nursing and Care, the Pre-school Committee and the Committee for Disability Support. In the company sector, Liseberg AB reported a decrease in the number of temporary and hourly-paid employees, while there was an increase in permanent employees. Changes in labour law and more seasons

during the year have led to Liseberg hiring more employees on a permanent basis, with a lower employment rate. Göteborgs Spårvägar AB has increased the number of employees, whereby the number of newly-trained drivers has increased and fewer have left during the year. Göteborg Energi AB has also increased the number of employees, mainly due to business expansion.

Viewed over a longer period, the proportion of permanent employees in the Municipality has been increasing for several years, reaching 83 per cent at the end of the year. This is well in line with the City's objective of offering permanent jobs in order to be an attractive employer. Among permanent employees, it is mainly occupational groups within the welfare committees that have changed. Social workers, administrators, nurses and engineers/architects accounted for the increase in 2024 compared to the previous year. The number of pre-school teachers, nurses, support teachers and administrators has decreased. The share of permanent employees working full-time in the Municipality continues to increase, reaching 96.8 per cent in 2024. No statistics broken down by occupational group are available for the company sector.



Skills provision

The economic situation and the prevailing economic climate helped to create favourable conditions for recruiting and retaining staff during the year. Staff turnover has decreased in most of the City's occupational groups. The number of recruitment adverts is also down on previous years, while the number of applicants per post has increased. The economic situation has led to a restrictive approach to re-filling posts in several areas and to a reduced propensity to change jobs, among the City employees and from other workers in the region. Overall, the ability to staff the services has therefore improved slightly compared with the previous year.

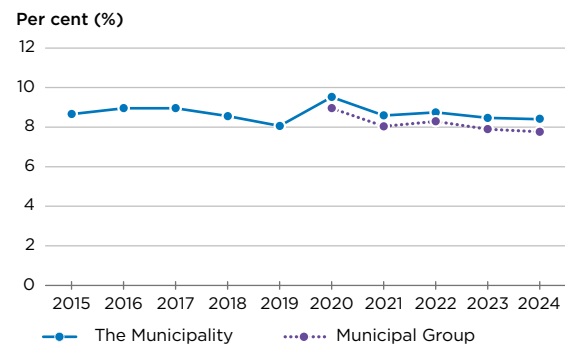
During the year, the ability to recruit nurses has improved, leading to a reduction in agency staff in favour of more permanent nurses. For the regional social care committees, there have been positive developments as they have managed to hire more experienced staff with the right skills. Developments over the year have been positive, but the need is still there. For example, there is still a need for experienced social workers within the public authorities. The Committee for the Elderly, Nursing and Care, the Committee for Disability Support and the Compulsory School Committee report persistent difficulties in securing skills in some occupational groups - junior and senior nurses, disability support staff and teaching assistants, and special needs teachers in compulsory schools for pupils with intellectual disabilities.

Both the urban development committees and parts of the corporate sector need to recruit into occupational groups where, despite the improved labour market, there is fierce competition both from high salaries and a shortage of qualified applicants. Göteborg Energi reports an upcoming need for engineers and technicians with a few years of experience. Renova AB writes in its annual report that the need to recruit drivers with a Class C driving licence is increasing with the requirement to collect packaging materials left outside properties. Göteborgs Spårvägar states in its annual report that the action plan to provide more drivers that was drawn up in 2023 and 2024 has had an effect. The number of newly trained drivers has increased, while fewer have left the company. Along with several other companies and administrations, Göteborgs Spårvägar is also experiencing continued challenges in recruiting into technical disciplines such as electricians

and mechanics. The City Planning Committee has had a large number of applicants for vacant posts during the year, but is having difficulty filling certain jobs such as surveyors, geotechnical engineers, systems developers, IT staff and specialists in mobility and parking. In its report, the City Property Committee states that there has been a high turnover of staff among property technicians, project managers and electricians.

Working environment and health

Sick leave



Sickness absence in the Group for 2024 stands at 7.8 per cent, which is essentially unchanged from last year's level of 7.9. Both long-term and short-term sickness absence rates have changed only marginally compared to the previous year, with short-term absence down by 0.2 percentage points and long-term absence up by 0.1 percentage points. The Municipality's sickness absence rate is 8.4 per cent, a marginal decrease of 0.1 percentage point compared to the previous year.

The situation varies widely between different services. In user-facing areas such as the Pre-school Committee, the Committee for Disability Support and the Committee for the Elderly, Nursing and Care, the rate of sickness absence for several occupational groups is 11-13 per cent. Managers and administrators have the lowest sickness absence rates at around 3-4 per cent. Sickness absence is also influenced by the scope for teleworking, with some committees noting that employees are more likely to work remotely through colds and other minor illnesses. The highest levels of sickness absence are found among women over 50.

On average, sickness absence is 8.4 per cent in the committees and 4.8 per cent in the boards.

The City's survey of workers and managers shows positive and improved values in several areas. The Sustainable Employee Engagement (SEE)

index measures employees' perceptions of leadership, motivation and management. This index has risen from 78 to 80. In particular, perceptions of motivation and leadership have improved, while perceptions of governance remain unchanged. The response rate in 2024 was 82 per cent, an increase of two percentage points from 2023.

During the year, a digital training course was developed together with the trade unions to create an understanding of differences in the workplace and tell employees what to do if they or others are subjected to abuse or harassment in the workplace. The training is part of the City of Gothenburg's induction process for new employees. The employee survey shows that 85 per cent have not experienced any victimisation or bullying in the past year, and historically the number who say they have not experienced victimisation is increasing. The exposure is mainly from colleagues and there are no major gender differences. 89 per cent of City of Gothenburg employees say that they know where to turn if they feel victimised, and most say that they would speak out if people expressed themselves in a sexist, racist or other degrading manner in the workplace.

The employee survey shows that the vast majority of the City's administrations and companies are not exposed to threats, violence or threats of violence (89 per cent), or improper influence (93 per cent). This is positive, but the reported incidents and cases brought to the police, as well as changing standards, show that there are challenges within the City. Threats, violence and threats of violence are a problem for some of the City's administrations and companies, especially in schools, care and home visits. Some of these incidents are linked to improper influence, where the aim has been to influence employees in the performance of their duties.

To support this work, a set of materials was developed in 2024 to address issues of breach of trust in the context of parallel legal systems, and corruption risks. Methodological support was also developed for the City's administrations and companies to identify positions with a high risk of infiltration.

In 2024, the average processing time in the IA system was 39 days from raising the issue to the start of the investigation. IA is an information system for recording and managing risks and incidents in the workplace. The annual follow-up of systematic health and safety environment management carried out in March revealed, among

other things, that there is a need for increased awareness among employees and managers of procedures for reporting and handling occupational injuries and other incidents entered into the IA system.

In order for employers to identify and support employees living with domestic or honour-related violence, a procedure has been developed that will be implemented in 2025. As part of this work, the City of Gothenburg's documentation for performance appraisals has also been updated to include two questions on exposure to violence.

Leadership and management

The City's long-term work on leadership development and improving the organisational position for managers was strengthened during the year. Good leadership produces employees who grow and develop. This in turn is expected to contribute to improved quality for those we serve. Good leadership also helps to improve the supply of skills. An important part of the work on managers' organisational position is "Chefoskopet", a research-based tool that provides an overall picture of the conditions faced by managers and how these are evolving.

The City of Gothenburg's employee and manager survey shows that there has been a positive shift in the perception of leadership. During the year, 13 administrations and companies started work on this and another seven have completed Chefoskopet. In 2024, the City Council also passed a recommendation for a target of no more than 25 employees per manager in the City of Gothenburg's services, a measure that will be closely monitored for all services, starting with education and welfare, is in line with the aim of creating better conditions for both managers and employees.

Based on the task in the City of Gothenburg's skills supply plan, work is underway to enable more people to become managers. For example, the number of places has been increased for employees who want to develop into managers through the City's in-house training programme, "Managers of Tomorrow". To enable more people with the potential to become managers, a review has been launched of the requirements for management positions when new staff are recruited.

The City of Gothenburg has almost 2,800 managers, 67 per cent of whom are women. Of these, 2,100 are first-line managers.



Salaries and benefits

The City focuses on offering equal and competitive salaries in order to attract suitably qualified staff to the service in the short term and long term. For the City's administrations, this means an ongoing need for changes in salary differentials to bring salaries for occupational groups in the nursing, care and education sectors in line with the administrative and technical sectors.

The 2024 salary review for the administrations was preceded by central wage bargaining for five out of six central wage agreements, with both Kommunal and Vårdförbundet unions giving notice of industrial action. In the period from 25 April to 27 June, there was a dispute with Vårdförbundet (the Swedish healthcare workers' union) in the form of a blockade against new recruitment and overtime work. The new wage agreements all contained provisions on guaranteed wages and scope for pay increases. The wage agreement with Kommunal (the union for welfare professionals) also included an individual guarantee. In this year's salary review, a low-wage initiative was also launched in the welfare operations based on the City Council's budget, which helped reduce the proportion of permanent employees with a monthly salary of less than SEK 25,000 from 3.8 per cent to 1.1 per cent.

The 2024 pay review for the administrations was split into several payment months from June to November based on the central contractual situation and local conditions. Analysis following the salary review shows that there are still some salary differences between sectors in the administrations.

In the City's administrations, women's average salary is now 97.8 per cent of men's. The gap has narrowed by 4.6 percentage points over a ten-year period, but from 2021 the previous relatively rapid development has stagnated. The reasons for this positive development include the administrations' priorities in the salary review, government initiatives for school staff and a higher proportion of women in traditionally male-dominated occupations requiring tertiary qualifications. The Mediation Institute (MI) notes that the Swedish labour market is generally split, with women and men working in different occupations with different pay levels, which is consistent with the City's analysis. The Group-wide salary survey and analysis for the City of Gothenburg's administrations also shows that salary levels for most of the BAS bands are achieved and even exceed the City's salary policy target for 2024. The occupational groups that do not reach the target salary levels are mainly in the health and social care sector and to some extent in the education sector.

The City's general approach to pay and conditions also applies to its companies. While the Municipality (the administrations) as an employer is a member of the Swedish Association of Local Authorities and Regions (SKR), each company, as a separate employer and legal entity, is an independent member of the relevant employers' organisation. The City of Gothenburg currently has around 30 wholly or majority-owned companies which are employers, and they are currently spread across five different employer organisations (Sobona, Fastigo, Sveriges Hamnar, Visita and Svensk Scenkonst) according to sector. This means that the companies have different central and local collective bargaining agreements,

wage agreement structures and content, contract periods and trade union partners. The pattern differs within the municipal companies but also compared to the Municipality. The companies' salary reviews in 2024 were conducted on the basis of current central agreements without any specific exceptions.

The new agreements for the administrations, also brought an increase in special allowances. This applies, for example, to compensation for inconvenient working hours, which mainly affects activities in the health and social care sector, but also other activities involving work in the evenings, at night and at weekends.

Significant personnel-related matters, City of Gothenburg

	2024						2023					
	Municipal Group			Municipality			Municipal Group			Municipality		
	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
Total number of employees	40,566	16,883	57,449	36,601	11,537	48,138	40,919	16,857	57,776	36,992	11,577	48,569
Permanent employees	33,106	13,461	46,567	30,611	9,331	39,942	33,044	13,327	46,371	30,687	9,335	40,022
Fixed-term employees	1,912	920	2,832	1,776	736	2,512	2,173	972	3,145	2,050	804	2,854
Hourly employees	5,548	2,502	8,050	4,214	1,470	5,684	5,702	2,558	8,260	4,255	1,438	5,693
Permanent managers	1,855	907	2,762	1,576	483	2,050	1,848	893	2,741	1,581	495	2,076
Average age of permanent employees	46.0	45.4	45.8	46.1	45.2	45.9	45.7	45.3	45.6	45.8	45.0	45.6
Sickness absence, total	8.8	5.5	7.8	9.1	6.1	8.4	8.9	5.6	7.9	9.2	6.2	8.5
Sickness absence, 1-14 days	3.0	2.4	2.8	3.0	2.6	2.9	3.2	2.6	3.0	3.2	2.8	3.1
Sickness absence, >14 days	5.8	3.0	5.0	6.1	3.5	5.5	5.7	2.9	4.9	6.0	3.3	5.4
Sickness absence, 60 days and over (%)				57.7	48.7	56.2				55.6	45.0	53.8
Sickness absence, age 29 or younger				7.6	6.1	7.2				7.8	6.4	7.4
Sickness absence, age 30-49				8.3	5.6	7.7				8.6	5.7	7.9
Sickness absence, age 50 or older				10.3	6.7	9.5				10.5	6.7	9.6
External recruits	8,844	3,896	12,740	7,246	2,447	9,693	9,647	4,194	13,841	8,745	3,049	11,794
for permanent employment	2,663	1,317	3,980	2,314	822	3,136	3,688	1,698	5,386	3,287	1,202	4,489
for fixed-term employment	6,181	2,579	8,760	4,932	1,625	6,557	5,959	2,496	8,455	5,458	1,847	7,305
External departures, permanent employees	2,511	1,215	3,726	2,288	809	3,097	3,044	1,353	4,397	2,786	879	3,665
of whom with a pension	565	207	772	540	151	691	478	155	633	454	101	555
of whom of own volition	1,677	759	2,436	1,526	535	2,061	2,307	969	3,276	2,132	685	2,817
External staff turnover, per cent(%)	7.6	9.1	8.0	7.5	8.7	7.8	9.4	10.5	9.7	9.2	9.8	9.4
Mobility between committees, per cent(%)				1.0	1.0	1.0				1.7	1.4	1.7



Expected developments

This section describes known conditions and factors that are expected to affect the City of Gothenburg, both in the near future and further ahead, long with the associated risks and uncertainties.

National security and civil defence

The conditions for Swedish security policy are continuing to change with the deteriorating security situation in several parts of the world, and place tough demands on the work on civil preparedness. Over the past year, the security situation has deteriorated further, partly due to the ongoing wars in Ukraine and Gaza/Middle East, where the overthrow of the Syrian regime is creating further uncertainty and tensions in an already conflict-ridden region. Although the risk of a military attack against Sweden is judged to be low, there is an increased risk of influencing operations and other hostile actions. The process surrounding Sweden's entry into NATO intensified tensions, including influencing operations against Sweden. The backwash from this is expected to persist in some areas. Other examples include multiple cyber-attacks against Sweden and tensions in the Baltic following suspected sabotage of underwater cables. The use of criminal groups by other states to carry out acts on Swedish soil is another concrete consequence of the impact of the war on life in Gothenburg.

The City is responding to the deterioration in the external situation by continuing to work intensively on security issues such as civil preparedness and on more drills, both within the City and together with other actors.

Continuing work on crisis preparedness and civil defence

A large number of national studies, government commissions and other development work are underway with the aim of strengthening civil preparedness, which could entail new tasks and rapid changes that require adaptation and reprior-

itisation within the City. Committees and boards must maintain a basic level of preparedness to deal with disruptions to their activities. The changed international situation also requires special efforts in certain areas, including the build-up of the city's civil defences. Some parts of the City can also be expected to receive clearer guidance at the national level in the coming years.

The report on the basic preparedness of municipalities and regions for crisis and war proposes a new act to replace the *Act on measures to be taken by municipalities and regions in response to extraordinary events in peacetime and heightened preparedness*, as this act does not lay down the requirements that should be imposed on municipalities and regions in key areas, particularly in the event of very grave and complex peacetime crises and heightened preparedness. The new law, to be known as the "Act on the basic preparedness of municipalities and regions for peacetime crisis situations and increased preparedness", is due to enter into force on 1 January 2027. The legislative proposals submitted by the committee are expected to lead to heavy new running costs and large acquisition and investment costs for the municipalities and regions over the next five-year period, totalling just over SEK 13 billion. It is not yet clear what proportion will be borne by Gothenburg.

Proposals for new legislation on security protection

Security protection refers to the protection of sensitive activities against espionage, sabotage, terrorist offences and other crimes that could threaten Sweden's security, and the protection of classified information in other cases.

The Security Protection Act has been amended over the last few years and the demands on the City Executive Board are now significantly higher than just a few years ago. The City Executive Board now has a real and absolute responsibility for all security protection work within the committees covered by the legislation.

THE NIS 2 Directive aims to achieve a high common level of cybersecurity across the EU, and the Critical Entities Resilience (CER) Directive aims to strengthen the resilience of critical operators and their ability to provide essential services in the internal market. The national study of the Network And Information Systems Directive (NIS2) and the CER Directive was submitted to the Government in September 2024. It is proposed that the new Cybersecurity Act and the draft Critical Entities Resilience Act should enter into force on 1 August 2025. These new laws amend several other laws, including the Security Protection Act, the Public Access to Information and Secrecy Act and the Criminal Records Act.

Cybersecurity

In recent years, the threat to information security has increased significantly in our society. Local and regional government operations have been affected or disrupted by various incidents such as cyber-attacks and malware, and the economic impact of these incidents is increasing.

Strengthening society's preparedness for internal and external threats also means strengthening the security of vital services and their cybersecurity. Digital developments increase the risk of malignant actors exploiting gaps to access and destroy important information.

City executive boards and company managements are economic operators and must be involved in systematic and risk-based information security work, such as training, risk management, incident reporting and supervision. This means, among other things, an increased need to protect the data which is stored, processed, retrieved or transmitted. The City of Gothenburg Executive Office has started work to determine what changes need to be made to existing governance to meet the requirements.

It is likely that there will be increased costs for the Municipality in meeting the requirements. SKR believes that the cost effects should be covered by the state according to the financing principle, but it is not yet clear how the municipalities will be compensated.

The Critical Entities Resilience Act

The final report from the inquiry into the implementation of the NIS2 and CER Directives sets out proposals for the CER Directive to be transposed by means of a new law, the Critical Entities Resilience Act. The committee does not propose any obligations beyond those required by the Directive. The report proposes that the act and the related ordinance should enter into force on 1 August 2025. The act and its ordinance will cover critical entities, both public and private. Public operators include government agencies, regions and municipalities. Individual operators include private as well as state, regional and municipal undertakings. There is no size requirement to be defined as a critical entity, which means that small businesses may also be covered.

Increased scope for municipalities to carry out background checks

In February 2024, the Government decided to commission an inquiry to examine, in a so-called fast track process, whether municipalities should be given greater scope to carry out background checks on employees and persons offered employment or assignments within the municipalities.

The committee has submitted a memorandum to the government proposing an option to run criminal records checks on people who are to work with the elderly or people with disabilities. This includes jobs in home care, personal assistance and specialised accommodation for the elderly or people with disabilities. The committee also proposes enhanced criminal records checks on people who will be working with children, including children with disabilities. Finally, it is proposed that municipalities should be able to decide on register checks when recruiting into positions that are critical to their ability to fulfil their mission, such as management positions. It is also proposed that background checks should also be allowed during employment.

In 2024, the City Council asked all committees and boards to identify positions with a high risk of infiltration. The City Executive Board has also been tasked with developing a procedure defining how and when background and register checks are to be carried out.

Socio-economic development

Economic conditions

After a few years of weak performance and major financial challenges for the whole local government sector, the economic outlook for 2025 looks slightly better. SKR expects the economy to strengthen in 2025 and that this will gradually be reflected in the labour market. SKR believes that the improved economic situation will lead to a more rapid increase in the tax base in the coming years. Overall, SKR estimates that the underlying growth in the tax base in Sweden will be just below 5 per cent in both 2025 and 2026. For Gothenburg, this would mean a clear upturn in earnings compared to 2024.

When cost developments are also taken into account, the economic outlook looks brighter still. Along with prices rising more slowly now as a result of the fall in inflation, pension costs will also fall in 2025. For Gothenburg, pension costs are expected to fall from SEK 4.4 billion in 2024 to SEK 2.9 billion in 2025. The improved economic conditions mean that the City will balance its budget in 2025 without recourse to the equalisation reserve and with a lower budgeted dividend from the Group compared to 2024.

While current assessments point to improved economic conditions, there is considerable uncertainty regarding the strength of the economic recovery. There are several factors that could influence developments in either direction. The forecast of increased tax revenue is largely based on Swedish households starting to consume now that inflation and interest rates have fallen back. There are also several external factors that could influence developments. Among other things, there is uncertainty about the impact of the incoming US administration's policies on the global economy. Extensive US tariffs against Europe and European countermeasures could hit growth hard in both the US and Europe.

For Gothenburg, the ongoing review of the municipal equalisation system could also have a negative impact on economic conditions. In the proposal presented by the equalisation committee at the beginning of the summer, Gothenburg will lose around SEK 500 million when and if this is fully implemented. The committee proposes that changes be introduced gradually from 2026 onwards. However, no decision has yet been taken on the matter.

In the long term, the City's financial situation will also be increasingly strained by the substantial investment needs. The volume development reflected in the committees' investment planning implies significant cost increases for the City in the long term, not least with regard to the capital costs of the services. The Stadshus Group's finances will also be strained in the future by an increasing rate of investment, with a higher proportion of reinvestment and climate change investments that are not expected to generate the same profitability as new investments normally do. Together with lower earnings and cash flows in the Group, the self-financing ratio is decreasing while the Group's interest rate sensitivity is increasing with the growth in borrowing.

Demographic challenges

Looking ahead, several factors point to lower population growth than Gothenburg has experienced over the past 20 years. Changes in the world around us have caused population forecasts around Sweden to be revised downwards, and before the summer Statistics Sweden once again sharply reduced its forecasts for births and migration. Compared to just a year ago, there is a long-term downward revision of fertility rates. For Gothenburg and for Sweden as a whole, there is so far nothing to suggest that the birth rate is about to rise. Lower immigration and a declining birth rate will lead to fewer children in pre-school and school. These developments will further exacerbate the issues around demographic composition over time. The number of older people will increase rapidly in the future, while the proportion of the population of working age will decrease. This will lead to a smaller tax base, which risks undermining welfare financing.

Decreased housing construction in the coming years

The sharp slowdown in the number of housing starts brought about by the deterioration in construction activity will lead to fewer homes being completed in the coming years. This could have an impact on the housing situation in Gothenburg as a low level of house-building over a longer period aggravates the housing shortage.

The City's commitment in the Sweden Negotiation to complete 45,680 homes by 2035 may

need to be reviewed. The City does not currently have enough potential housing within approved or ongoing local plans to meet its commitments.

The labour market situation is deteriorating

The situation in the labour market continued to deteriorate in 2024. As a result of the slowdown in the building industry, the biggest decline in job growth is in construction. This is followed by reductions within information and communication.

The Swedish Public Employment Service estimates that the increase in the number of unemployed will stop in 2025 and that there will then be a gradual strengthening of the labour market. However, the unemployment rate is expected to remain at a higher level until 2026 compared to the pre-recession period.

In Gothenburg, the number of people in long-term unemployment, i.e. unemployed for more than 12 months, increased by around 550 up to December. The Swedish Public Employment Service has

identified different groups of unemployed people who, on average, run a higher risk than others of prolonged periods without work and are therefore judged to have weak competitiveness. These groups include people without upper secondary education, people born outside Europe, people with disabilities that may impair their ability to work, and unemployed people aged over 55. The number of households receiving financial assistance increased slightly in December compared with the same period last year. The trend towards more long-term unemployed is likely to lead to more households needing financial assistance in the coming years. The cost of living index (riksnorm) for 2025 went up by 2.8 per cent. Although significantly lower than the preceding years, 8.6 per cent in 2023 and 8.7 per cent in 2024, it is higher compared to the years before that. The large increases in the cost of living index in recent years, together with an increase in the number of households receiving financial assistance, will lead to higher costs in the future.



Continuing need for skills provision

Although unemployment is expected to rise, the shortage of skilled labour is expected to persist, as many job seekers lack the skills that employers are looking for. Despite the economic situation, the demand for skilled labour will remain high, not least in healthcare and social care, mainly due to the growing elderly population.

An ageing population and a smaller increase in the number of people of working age create difficulties in providing the skills required to meet the needs of care and welfare services. The City's inventory of skills provision both now and over the next five years shows that it is the committees with user-facing activities that face the greatest challenges. The same pattern that we see nationally can be found in Gothenburg. Although Gothenburg has better conditions both as a big city and as a university town, there will be difficulties in recruiting in the future. At the same time, ongoing structural changes of society will contribute to an increased demand for skills in areas such as technology, data and IT.

The 2025 round of collective bargaining will be one of the biggest in a long time

More than 500 agreements covering a total of 3.4 million employees will be renegotiated. For SKR and the employers' organisation Sobona, this means that all six main agreements with Kommunal, Sveriges Lärare, Vårdförbundet, Läkarförbundet, Allmän kommunal verksamhet (AKV) and AkademikerAlliansen will be renegotiated. AkademikerAlliansen already has an open-ended agreement on pay, but will be covered by the other terms of the negotiations.

For Sobona, six sectoral agreements are also due for renegotiation in 2025. The companies' other employer organisations (Fastigo, Sveriges Hamnar, Visita and Svensk Scenkonst) also have collective agreements that are covered by the 2025 round of collective bargaining, and the so-called "mark" to be negotiated in the industry often has a direct impact.

The objectives and direction for the collective bargaining rounds state that SKR and Sobona want to see simplified working time rules, a reduced number of local agreements and a long agreement period, in order to provide municipalities and regions with the conditions for long-term planning.

SKR's negotiating team has set up a committee tasked with analysing the effects of changes to working time arising out of the public debate on shorter working hours. The inquiry is being carried out by impartial investigators. The committee will submit its final report by 1 November 2026.

Digitalisation creates opportunities but requires new ways of working

Developments in AI and digitalisation have accelerated over the past year. This rapid development presents both opportunities and challenges to the City of Gothenburg's services. AI-powered tools and automated processes offer the potential for streamlining, improving citizen service and a better basis for decision-making. At the same time, there will be a big need to adapt working methods, skills provision and technical infrastructure, as well as security, legal, ethical and privacy issues.

The AI Regulation, which entered into force on 1 August 2024, lays down requirements for the way AI should be developed and used in the EU. The Regulation will be phased in over time and will cover the development, provision and use of AI within an EU-wide legal framework.

In November 2024, the government-appointed AI Commission submitted its report, *Roadmap for Sweden*, in which they emphasise the need for Sweden to act quickly and offer 75 proposals for how Sweden should approach the work in this area to drive this development forward.

New technologies create opportunities, but will not be the sole solution to the skills needs of user-facing occupational groups. According to the Employment Service, occupations that require a high degree of human interaction, judgement and care will be difficult to replace. At the same time, the continued structural change means that there will be a great need for skills in technology, data and IT. The development, implementation and maintenance of AI systems will require an increasing number of specialists in areas such as programming, data analysis and machine learning. The combination of human and AI-based capabilities will create new types of occupation, where humans and AI systems work side by side to solve complex problems. The need for continuous upskilling and reskilling will increase as the labour market changes, creating new opportunities for training and skills development initiatives.

A safe and equal city

Working together to reduce crime and improve safety

Since the “Act on municipalities’ responsibility for crime prevention” came into force in 2023, new forums and partnerships with different actors have been established in crime prevention work. Since 2010, the City of Gothenburg and the Greater Gothenburg Police Area have had an agreement on collaboration in security and crime prevention work. The cooperation agreement was revised in November 2024. The aim of the collaboration is to reduce crime and improve safety in Gothenburg.

The City and the police will work together to map and report on crime and insecurity in Gothenburg every two years. The situation report, the governing documents for the City of Gothenburg, the national and regional strategic directions for the Police Authority and the operational plan for the Greater Gothenburg Police will be used to set priorities for the next two years. The following priorities apply until 2026:

- » Particularly vulnerable areas/places
- » Particularly vulnerable groups
- » Domestic violence
- » Children and young people at risk of offending
- » Benefit crime

New laws in the field of crime prevention and security

A new act and ordinance on security guards came into force on 1 January 2024. Under the new act, security guards may be used as a back-up to the police to help maintain public order and safety or promote security. An authorisation is now valid for a maximum of five years, instead of three years as before.

In January 2025, the government report on mandatory cooperation, *Measures to strengthen security in the built environment*, was presented. The

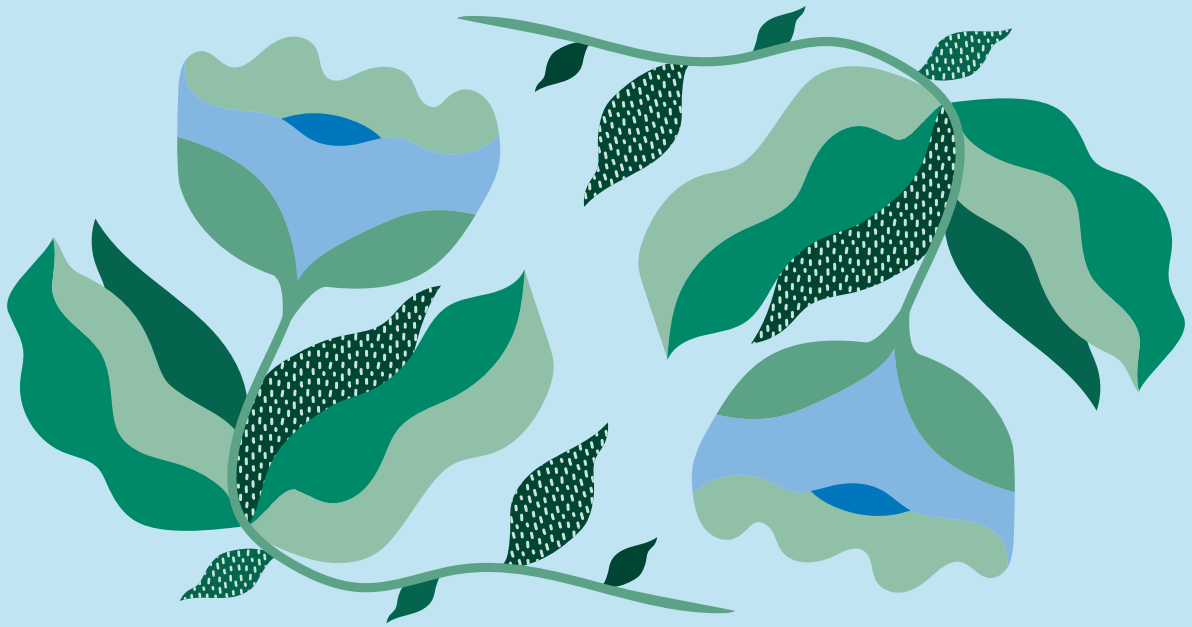
report will have an impact on the City’s responsibilities in this area. The rapporteur recommends legislation on local cooperation and assigns responsibilities to property owners and municipalities. Among other things, this heightens the requirement for a common regulatory framework for the affected committees and boards.

An in-depth follow-up of the work on the City’s security and crime prevention programme and underlying action plan will be carried out in 2025.

Work is under way to combat segregation

In its efforts to break down segregation, the City of Gothenburg focuses on sustainable urban planning, housing provision based on needs, access to employment and work against discrimination, along with equal education, neighbourhood development and opportunities to meet.

The City’s services do a lot of work to help compensate for the effects of segregation. This work will be strengthened in the future by the implementation of *the City of Gothenburg’s programme for equal living conditions and equal health 2025–2030*, which the City Council approved in 2024. The new Social Services Act, which is expected to enter into force on 1 July 2025, will help by focusing on social experience in community planning as well as preventive measures and accessible social services. On 1 March 2025, changes will be made to the *Act on municipalities’ responsibility for housing provision* with the aim of strengthening the conditions for a more socially sustainable housing supply. The amendment means, among other things, that municipalities must draw up concrete action plans for their housing supply and that any housing needs that are not met on the local housing market must be analysed. For example, the Act allows for priority treatment and reservations in the housing stock.



Environment and climate

“Fit for 55” influences national climate policy

Fit for 55 is a set of legislative proposals launched by the EU to reduce greenhouse gas emissions by at least 55 per cent by 2030 compared to 1990 levels. *Fit For 55* was presented back in 2021 and includes measures to accelerate the transition to climate neutrality in the EU. This includes areas such as increasing the use of renewable energy, phasing out fossil fuels and introducing a carbon tariff. A range of sectors are affected, including energy, transport, agriculture and buildings.

Fit for 55, with binding targets and related legislation, means that the EU’s efforts have a major bearing on the national level. This is also evident in national environmental and climate policies. The changes in national governance that have taken place in recent years have also created new conditions locally. In 2024, the Government decided on changes to Swedish law to adapt to the EU’s new emissions trading system for buildings, road transport, etc. (EU ETS 2), which will enter into force in 2027.

Geological storage of carbon dioxide

Developments in carbon capture and storage (CCS) are making great strides and are a crucial technology if we are to meet our targets, especially as emissions are not falling fast enough. This is still a new technology which requires

further development and innovation, and several initiatives are under way in Sweden, for example in Stockholm and Gotland. In Gothenburg, Renova’s Board of Directors has taken a decision in principle on CCS, with a view to an investment decision in 2027.

New sustainability reporting rules for companies

Extensive work has been done across the Stadshus Group to prepare for the extended EU requirements laid down in the Corporate Sustainability Reporting Directive (CSRD, EU 2022/2464) and the EU Taxonomy, which will apply from the financial year 2025. The CSRD places high demands on the Group’s overall reporting and may also affect governance in this area. The EU wants to raise the reporting of sustainability data to the same level as financial reporting and ensure comparability between companies. In the long term, the reporting is expected to lead to increased transparency and provide the for improved control of efforts to meet the EU’s sustainability goals.

The EU’s enhanced sustainability reporting requirements also affect the City as a borrower, with financial market participants such as the City’s lenders being regulated through the *Sustainable Finance Disclosure Regulation (SFDR)*. The Regulation thus indirectly places increased

demands on the City's administrations and companies, as it aims to increase transparency around sustainability and sustainability risks in the financial sector and to steer capital towards sustainable investments.

Phased introduction of home sorting

The role of municipalities as waste managers is changing as revisions to the EU Waste Directive are implemented. From 2024 onwards, sorting of food waste is mandatory, and in 2025 and through to 2027, the City of Gothenburg will gradually introduce home sorting (replacing kerbside collection), to comply with the new law on how packaging should be collected for recycling and to make food waste sorting mandatory. The change will affect Gothenburg residents, property owners and municipal services. Increased costs for the Eco-cycle and Water Committee will be handled through the waste management tariff.

Changes in waste legislation could affect the scale of waste management operations from 2026

In November 2024, the Ministry of Climate and Business presented a proposal for reforming waste legislation that could affect the scope of waste management activities. It is proposed to remove some types of waste and industries from municipal management and to give others greater

scope for exemption. The proposal could reduce the need for services and the corresponding tax revenue by up to 25 per cent. If the committee's proposals become law, it will be hard to adapt the operations quickly, which could increase the financial burden on the remaining subscribers. At the same time, new requirements for further sorting of residual waste and products for reuse are proposed, requiring increased efforts by both households and municipalities, leading to increased costs that will not be reimbursed.

The City's climate adaptation needs

The effects of climate change and its consequences for society, with many serious events both nationally and globally, have raised the issue of the need for climate adaptation. The work to implement *the City of Gothenburg's climate adaptation plan for 2024–2026* is ongoing and is a top priority for the City-wide work. A government inquiry is under way and will be presented in April 2025, focusing on the need for new or amended legislation to remove obstacles and streamline climate adaptation work, as well as reviewing the division of responsibilities and identifying financing models for sharing costs between actors in society. The EU will be intensifying its work on climate resilience and preparedness, and a European Climate Adaptation Plan is planned.



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Annual Accounts

This section presents the City of Gothenburg's performance and financial position through the consolidated accounts which, in accordance with the Swedish Municipal Accounting Act, comprise an income statement, balance sheet, cash flow statement and notes. The accounts are presented for the Municipality and the Municipal Group. Along with the Municipality, the Municipal Group also includes joint statutory authorities consisting of emergency services and coordination associations, as well as the company sector under the parent company Göteborgs Stadshus AB.

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Disclosures are presented here in the form of notes in accordance with legal requirements and recommendations. The City's accounting policies are also described here.

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Definitions

This section defines a number of financial concepts.

Income statement

Amounts in MSEK	Note	Municipal Group		Municipality	
		2024	2023	2024	2023
Operating income	2,8	31,327	30,284	12,191	11,637
Operating expenses	3,8	-64,865	-61,657	-50,220	-47,601
Depreciation/amortisation	4	-5,786	-6,073	-2,551	-2,327
Net operating expenses		-39,324	-37,446	-40,580	-38,291
Tax revenue	5	36,086	34,996	36,086	34,996
General state subsidies and equalisation	6	5,165	4,528	5,165	4,528
Net earnings		1,927	2,078	671	1,233
Financial income	7,8	355	133	2,563	1,561
Financial expenses	7	-1,874	-1,444	-2,335	-1,724
Earnings after financial items		408	767	899	1,070
Extraordinary items		-	-	-	-
Net earnings for the year		408	767	899	1,070

Comparative figures for 2023 have been restated following corrections/changes, see Note 24 a).

Balance sheet

		Municipal Group		Municipality	
Amounts in MSEK	Note	2024	2023	2024	2023
ASSETS					
Non-current assets					
Intangible fixed assets	9	484	325	81	0
Property, plant and equipment	10	130,112	120,915	55,713	50,300
<i>land, plant and machinery</i>		116,392	109,044	49,355	45,004
<i>machinery and equipment</i>		13,372	11,609	6,241	5,190
<i>other property, plant and equipment</i>		348	262	117	106
Financial assets	11	1,275	1,201	58,128	53,804
Total non-current assets		131,871	122,441	113,922	104,104
Infrastructure subsidies	12	27	24	27	24
Current assets					
Supplies	13	2,841	2,588	1,414	1,390
Receivables	14	8,110	9,157	5,810	6,191
Investments in securities etc.		-	-	-	-
Cash and bank		1,923	2,867	1,088	1,908
Total current assets		12,874	14,612	8,312	9,489
Total assets		144,772	137,077	122,261	113,617
EQUITY, PROVISIONS AND LIABILITIES					
Equity					
Equity at start of year		47,079	46,312	36,131	35,061
<i>of which: earnings equalisation reserve</i>		5,844	5,623	5,844	5,623
Net earnings for the year		408	767	899	1,070
Equity at year-end*		47,670	47,079	37,030	36,131
<i>of which: earnings equalisation reserve</i>		5,844	5,844	5,844	5,844
Total equity	15	47,670	47,079	37,030	36,131
Provisions					
Provisions for pensions and similar obligations	16	8,571	6,760	7,191	5,392
Other provisions	17	7,088	5,639	1,419	389
Total provisions		15,659	12,399	8,610	5,781
Liabilities					
Non-current liabilities	18	55,155	51,175	54,691	49,670
Current liabilities	19	26,288	26,424	21,930	22,035
Total liabilities		81,443	77,599	76,621	71,705
Total equity, provisions and liabilities		144,772	137,077	122,261	113,617
PLEDGES AND CONTINGENT LIABILITIES		12,305	12,087	13,716	14,619
Pledges and equivalent collateral	20	505	525	-	-
Contingent liabilities					
<i>Pension obligations not recognised as liabilities or provisions</i>	21	10,346	10,099	10,246	9,997
<i>Other contingent liabilities</i>	22	1,454	1,463	3,470	4,622

Comparative figures for 2023 have been restated following corrections/changes, see Note 24 b).

*Includes adjustment of SEK 183 million for the Municipal Group.

Cash flow statement

		Municipal Group		Municipality	
Amounts in MSEK	Note	2024	2023	2024	2023
OPERATING ACTIVITIES					
Net earnings for the year	BS	408	631	899	1,070
Items not affecting liquidity	25	10,146	8,086	5,306	3,570
Items affecting liquidity	26	-728	-676	-319	-2
Cash flow from operations before change in working capital		9,826	8,041	5,886	4,638
Increase (-)/decrease (+) in current receivables	14	1,048	572	382	4,762
Increase (-)/decrease (+) in supplies and inventories	13	-316	-110	-24	-50
Increase (+)/decrease (-) in current liabilities	19	-198	-535	-1,029	785
Cash flow from operating activities		10,360	7,968	5,215	10,135
INVESTING ACTIVITIES					
Acquisition of intangible fixed assets	9	-107	-50	-9	-
Sale of intangible fixed assets	9	-	-	-	-
Acquisition of property, plant and equipment	10	-16,194	-14,040	-8,195	-6,698
Sale of property, plant and equipment	10	864	211	411	122
Investment income	18	749	692	591	388
Acquisition of municipal group companies	11	-	-	-	-
Sale of municipal group companies	11	-	-	-	-
Acquisition of financial assets	11	-33	-49	-38	-38
Sale of financial assets	11	-	-	-	-
Increase (-) / decrease (+) in non-current receivables	11	-18	-4	-4,263	-9,939
Cash flow from investing activities		-14,739	-13,240	-11,503	-16,165
FINANCING ACTIVITIES					
Newly raised loans	18	13,233	11,923	13,216	11,900
Repayment of non-current liabilities	18	-9,814	-8,282	-8,764	-6,943
Newly raised loans, leasing	18	-	-	119	659
Decrease in non-current liabilities, leasing	18	-	-	-	-502
Increase (+)/decrease (-) in interest-bearing current liabilities	18,19	43	2,569	924	1,759
Cash flow from financing activities		3,462	6,210	5,495	6,873
DISBURSEMENT OF STATE INFRASTRUCTURE SUBSIDIES	12, 17, 25	-27	-66	-27	-66
Cash flow for the year		-944	872	-820	777
Liquid funds at start of year	BS	2,867	1,995	1,908	1,131
Liquid funds at end of year	BS	1,923	2,867	1,088	1,908

Notes including accounting policies

1. Accounting policies and other disclosures

One of the most important tasks of the accounts is to provide relevant information on the financial performance and financial position of the business to facilitate management and follow-up of its activities. For this, the various accounting principles must be described in an open and informative manner. This section describes the principles, estimates and judgements used by the City of Gothenburg.

Introduction

The municipal financial reporting is regulated by Chapter 11 of the Swedish Local Government Act, and the *Municipal Accounting Act* (2018:597). The Council for Municipal Accounting (Rådet för kommunal redovisning - RKR) also issues recommendations for accounting in the local government sector. The municipal companies apply the *Annual Accounts Act* (ÅRL 1995:1554) and the *general recommendations from the Swedish Accounting Standards Board* (BFNAR 2012:1).

The municipal rules take precedence when preparing the Municipal Group's annual accounts. This means that the annual accounts are prepared in accordance with these rules. The consolidated accounts are drawn up in accordance with RKR R16 *Consolidated Accounts*. Any deviations from the recommendations and the reasons for these deviations are reported under the appropriate heading below.

Assets and liabilities are recognised at cost unless stated otherwise. Where gifts are recognised as assets, they are measured at fair value. Revenue is recognised to the extent that it is probable that the economic benefits will accrue to the Municipality, and the revenue can be measured reliably and otherwise meets the criteria to be classified as revenue.

Restatements reflecting new accounting policies are made for the comparative year in the annual report. For longer time series in tables and charts, etc., only the previous year is restated.

Doing this for time series going further back in time requires a greater effort than is deemed reasonable in relation to the benefits.

Changes in accounting recommendations

Revised recommendations

Updated recommendation RKR R3 *Intangible fixed assets* is applied from 2024 onwards, but has no material impact on the financial statements. The threshold for material value, which was already covered by disclosure requirements in previous regulations, has been changed from half a price base amount to ten price base amounts. This is not considered to have any material impact on the accounts either. According to the updated recommendation, details of useful life have to be disclosed for intangible fixed assets also.

RKR R1 *Accounting and Record keeping*, RKR R5 *Leases*, RKR R9 *Provisions and contingent liabilities*, RKR R10 *Pensions*, RKR R13 *Statement of cash flows* and RKR R15 *Administration Report* have been updated, but have no material impact on the financial statements.

According to RKR R16 *Consolidated accounts*, information on intra-group matters between the Municipality and the various municipal group companies and between the group companies themselves must be provided. The information is provided at an aggregated level as there are a large number of group companies.

New recommendations

RKR R20 *Accounting for municipal pension funds* applies from the financial year 2024. The impact of the recommendation on the financial statements is considered to be very marginal.

RKR R21 *Grants for infrastructure* applies from the financial year 2024. The recommendation has not led to any action, but there will be a review of any instances and how they are handled in the coming year.

Corrections/adjustments

At the end of 2023, there was a dispute between Älvstranden Utveckling AB and the land development administration. The development administration reduced its profit for reasons of prudence following the City Council's decision to terminate part of the Skeppsbron project before completion. At the same time, Älvstranden Utveckling AB expensed its accrued items. As a result, the Municipal Group's overall result was SEK 73 million too low in 2023, leading to a change in the comparative figures for 2023 as shown in Note 24 a) and b).

In 2023, a current asset was sold externally for SEK 63 million by Göteborg Egnahemsbolag AB. This was not realised in the group, which consequently shows too low a result for 2023. These comparative figures have also been restated for 2023 as shown in Note 24 a) and b).

The current portion of the Municipality's lease liability is recognised as a current liability from 2024 onwards. For the Municipality, the comparative year 2023 has had an adjustment of SEK 461 million made to non-current liabilities.

Handling based on the recommendations from the RKR

From 2024, municipalities have taken over the responsibility for collecting packaging from households and co-located businesses, and are compensated for this by the Swedish Environmental Protection Agency. The RKR has produced an opinion in response to this. The Municipality handles its reporting in line with the recommendations from the RKR.

Other disclosures

From 2024 onwards, gifts of works of art received by the Gothenburg Museum of Art are recognised at fair value in the balance sheet when their value exceeds half a price base amount. Gifts from

previous years are not recognised in the balance sheet as they are not considered to be material.

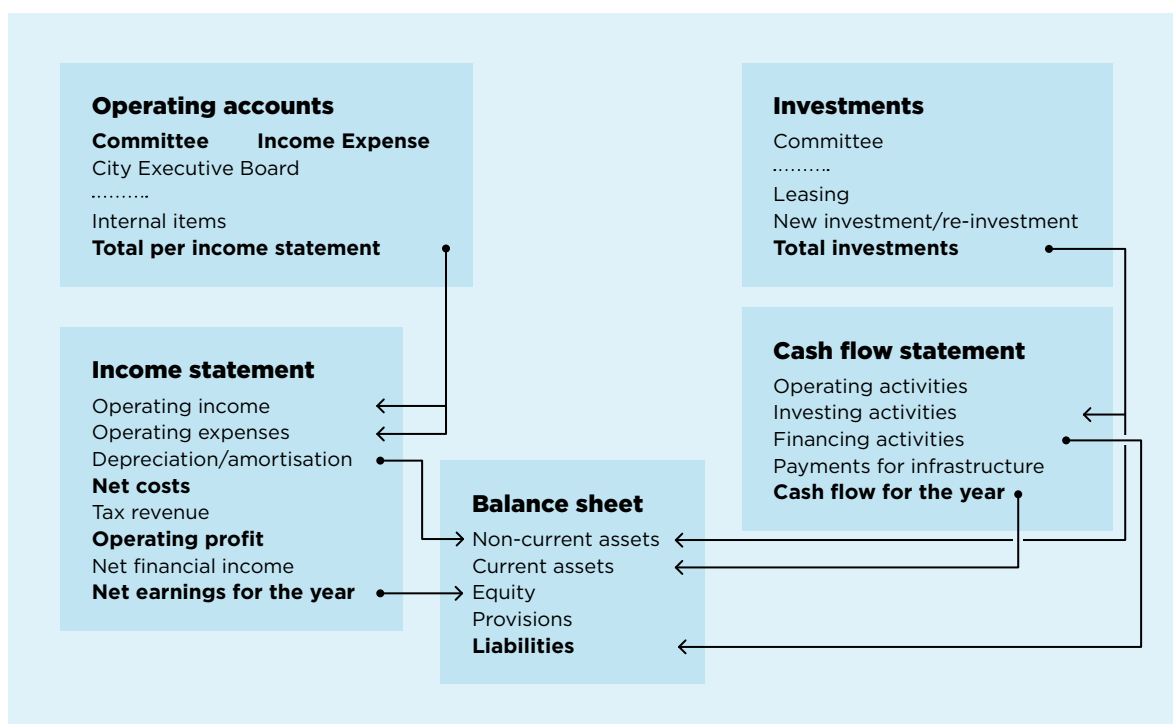
Consolidated accounts

The City of Gothenburg's overall financial position and performance are shown in the consolidated accounts and aim to provide a comprehensive, true and fair picture of the Municipal Group.

According to the Municipal Accounting Act, the annual report must include all operations run by the Municipality regardless of organisational structure. The Municipal Group consists of the municipal committees together with the municipal group companies. The latter comprise companies, joint statutory authorities and coordination associations over which the Municipality has a significant long-term influence, which is generally defined as an ownership interest greater than 20 per cent. A list is provided in Note 30. Significant changes in the composition of the Group are described in the section of the Administration Report dedicated to the Municipal Group.

The Municipal Group includes Räddningstjänstförbundet Storgöteborg (Greater Gothenburg Rescue Services) and Samordningsförbundet Göteborg (the Gothenburg Coordination Association). Göteborgsregionens kommunalförbund (GR - the Göteborg Region Association of Local Authorities), with its wholly and partly owned companies, and Tolkförmedling Väst (which provides interpreting services) are also by definition municipal group companies. However, they are excluded from the consolidated accounts as their activities fall within the boundaries of what may be considered immaterial according to RKR RI6 *Consolidated accounts*.

Neither the affiliated foundations managed by the City Executive Board, nor the foundations with their own administration in which the City Council appoints one or more board members, are considered to be municipal group companies. This is because the Municipality is not considered to have a significant influence over the performance and financial position of the foundations. The foundations are completely separate from the Municipality's finances; they are subject to their respective foundation ordinances and under the supervision of the County Administrative Board, and any changes in purpose have to be approved by Kammarkollegiet.



Description of the relationship of the operational and investment accounts to the other financial statements in the annual report.

Consolidation principles

The consolidated accounts are drawn up using proportional consolidation (the proportionate method). This means that each municipal group company is consolidated according to the Municipality's share of its income, expenses, assets and liabilities. The annual accounts of each sub-group are used as the basis for consolidation. Intragroup transactions and internal profits of material value within the Municipal Group have been eliminated.

Cash flow statement

The cash flow statement is produced according to the indirect model and essentially follows the layout given in RKR RI3 *Cash flow statement*. The cash flow statement is based entirely on changes in the balance sheet. See Notes 25 and 26.

Extraordinary items and items affecting comparability

Events of significant scope that are not expected to occur often and have no link to ongoing operations are treated and recognised as extraordinary items. Items affecting comparability are the result of events that are not extraordinary but need to be considered in comparisons with other periods. They are the items that are excluded to arrive at what are called the Municipality's structural earnings.

Extraordinary items are reported separately on their own lines, and items affecting comparability appear as an 'of which' note to the income statement; see Note 8.

Operations and investment

According to RKR RI4 *Operations and Investment*, information is provided about the structure of the Municipality's operations and investment budget, as well as the most significant financial control principles for reporting on operations and investments.

Operating accounts

The City Council allocates municipal subsidies (net appropriations) to the committees to carry out the activities for which they are responsible. The municipal subsidy is intended to cover the outstanding costs when income from tariffs, taxes and subsidies does not fully cover the operating expenses. The municipal subsidies are allocated per committee. In their own budgets, the committees allocate the municipal subsidy from the City Council to the various activities and organisational units for which they are responsible. In some circumstances, the City's regulations allow the committees to accumulate and use equity. Within certain limits, the committees can therefore budget for either a surplus or a deficit.

Internal accounting principles

The income and expenses in the operating accounts must reflect the financial dealings of each committee with the outside world, which includes the other committees. This means that, compared with income and expenses in the income statement, which contains only non-municipal items, the operating accounts also include intra-municipal items, such as purchases and sales between committees. There are also items in the income statement that have been allocated on an accrual basis in the operating accounts. Examples are personnel costs (47.28 per cent) comprising employer's contributions, contractual insurance and collectively agreed pensions. Another example is internal interest (2.25 per cent), charged to the committees on the basis of the book value of capitalised non-current assets.

Investment accounts

In its budget, the City Council sets annual investment limits for each committee for a period of five years. The City Council allows the committees to reallocate funds between years within the approved five-year budget, as long as the total investment limit decided for the period is not exceeded. As for operating activities, the net investment limits are allocated per committee. Investments are divided into re-investment and new investment in the City Council's budget framework, and are then distributed according to this division within each committee. However, the City Council sets separate investment limits for the water and sewerage and waste management services, and for the Stormwater and Technical Water investment areas.

In their own budget decisions, the committees allocate the investment limits set by the City Council to the various investment areas and projects for which they are responsible. Some committees have investment income through sources such as state investment subsidies and developer contributions. The City Council also decides separately on project budgets for individual projects of a fundamental nature. These designated projects will be managed within the committees' allocated investment limits and monitored on an ongoing basis in interim and full-year reporting.

Revenue

Tax revenue

The Municipality's reported tax revenue consists of preliminary tax payments credited to the Municipality during the year, a forecast for the final settlement and the difference between the final assessment and the reported tax revenue for the previous year. The preliminary final settlement for tax revenue is based on the December forecast from the Swedish Association of Local Authorities and Regions, in accordance with recommendation RKR R2 *Revenue*. See Note 5.

Other revenue

Göteborg Energi AB recognises all of its connection charges for electricity, gas and district heating as revenue in accordance with BFNAR 2012:1 when delivery of the connection begins. In the consolidated accounts, the item has been moved to deferred income in accordance with RKR R2 *Revenue*. All income is accrued on a straight-line basis. See Notes 2 and 18.

Costs

Depreciation/amortisation

Depreciation of intangible fixed assets and property, plant and equipment is normally made for the estimated useful life, with linear depreciation based on cost excluding any residual value. Depreciation begins from the time the asset is put into use. No depreciation is applied to assets in the form of land, works of art and work in progress. The useful life undergoes a review if there are circumstances that make this necessary, such as operational changes and changes to technology.

Component depreciation has been applied from 2017 to new acquisitions of buildings and facilities, in line with RKR R4 *Property, plant and equipment*. The table of *Depreciation periods* shows the intervals for the depreciation periods currently applied, as well as the Municipality's recommended depreciation periods for existing assets acquired up to and including 2016. The table also shows the depreciation periods applied by the companies. See Notes 4, 9 and 10.

Chapter 9 Section 9 of the Municipal Accounting Act states that information must be provided on the estimated average useful life of each item recognised as a tangible fixed asset. Recommendation RKR R4 *Property, plant and equipment* states that the cost (adjusted for how much of the year the accounting entity held the

Depreciation periods (years)

Plant	Municipality up to and incl. 2016	Municipality 2024	Compa- nies
Internally generated intangible fixed assets	3-5	3-5	3-7
Goodwill	5-10	-	5-10
Pipe/cable rights	-	-	100
Tenancy rights	-	-	20
Other acquired intangible fixed assets	5	3-10	3-7
Land improvements	20-50	7-100	10-50
Buildings	20-50	15-80	10-100
Plant, machinery and equipment	5-10	5-40	3-25
Kiosks, pavilions, barracks	10	10	10
Leasehold improvements	-	2-33	10-20
Personal computers and IT equipment	3	3-4	3

asset) of each item is to be summed up for the assets that are subject to depreciation and then divided by the depreciation costs attributable to these assets. From 2024, according to RKR R3 *Intangible assets*, the corresponding disclosure must also be provided for intangible fixed assets; see Notes 9 and 10.

Chapter 9 Section 10 of the Municipal Accounting Act stipulates that reasons must be given for applying a useful life of more than five years for intangible fixed assets. Goodwill investments are considered to be strategic in all cases, so a longer depreciation period is reasonable. Rights based on contracts are amortised over the terms of the contract.

Write-downs

Recommendation RKR R6 *Write-downs* is to be applied for write-downs of the value of a non-current asset used in those municipal services that are regulated by the cost-price principle. According to RKR R6 *Write-downs*, a valuation must be carried out if there is still service potential for the write-downs made in the municipal companies. The valuation refers to non-current assets that are wholly or partially financed through tax and/or regulated by the cost-price principle. Write-downs exceeding material amounts have been reviewed. If a municipally owned company makes a write-down based on a different principle, it is reversed in the consolidated accounts.

For Group companies, write-downs and reversals of these are based on market valuations according to the rules in BFNAR 2012:1, and mainly relate to buildings where write-downs are made

to align the value with actual rental levels. For assets that are written down for activities carried out on the cost-price principle, the recoverable amount is normally calculated as the adjusted value in use. See Notes 4 and 10.

Interest expenses in connection with investments

According to RKR R4 *Property, plant and equipment*, interest expenses in connection with investments can be reported according to the main rule or the alternative rule. The City of Gothenburg has applied the main rule since 2014, which means that the borrowing costs are charged directly to earnings. The company sector follows the alternative rule which means that, under certain conditions, the borrowing costs can be charged to the cost of the asset. In the company sector, borrowing costs are capitalised mainly for property companies that have a required rate of return and therefore follow the alternative rule. In calculating the borrowing cost to be capitalised, the average financing cost of loans raised for investment purposes has been used. See Note 10.

Assets

Drawing a boundary between cost and investment

Within the City of Gothenburg, assets for continuous use or holdings with a useful life of at least three years are viewed as non-current assets if the amount is greater than half a price base amount. For art, a different limit of two price base amounts is applied, with an exception for cases

that constitute artistic creation under the so-called one per cent rule and for art works received as a gift. The different limit for art is a departure from RKR R4 *Property, plant and equipment*. This is because the purpose of the purchases is primarily to promote local culture and the amounts are also insignificant in relation to the City's investment volumes. In the case of reinvestment, the Municipality's policy for component accounting sets out rules for classifying component replacement as operations or investment. For intangible fixed assets, ten price base amounts are applied as the threshold. Similar limits are applied to financial leasing agreements. See Notes 9, 10 and 23.

Intangible fixed assets

Intangible fixed assets are reported at acquisition cost less planned depreciation and any write-downs. In the consolidated accounts, intangible fixed assets include goodwill. Goodwill is the difference between the cost and the fair value of the Group's share of net assets acquired. See Note 9.

Property, plant and equipment

Property, plant and equipment are valued at cost with additions for value-raising investments and deductions for planned depreciation and any write-downs.

Component accounting according to RKR R4 *Property, plant and equipment* has been applied since 2017 to new acquisitions of property, plant and equipment. This means that the components that make up an asset are assigned different depreciation periods based on an assessment of their actual useful life. This model is also used when replacing existing assets or acquiring new components. The change means that items that were previously classified as operating expenses for ongoing maintenance are now more likely to be treated as reinvestment.

The companies have applied component depreciation to all property, plant and equipment since 2014. See Note 10.

Leasing

According to RKR R5 *Leasing*, a lease will be classified as financial if the economic benefits and risks associated with ownership of the object are in all essentials transferred to the lessee. Assets in agreements that are classified as financial leases must be recognised as non-current assets and the obligation to pay lease fees in the future recognised as a liability in the balance sheet. The value of the assets is depreciated using the same model and depreciation period as if they had been

purchased. Leasing charges paid are recognised as depreciation and interest.

According to the City of Gothenburg's guidelines for financial operations, the Municipality's leasing of movable property should be financed through leasing with Göteborgs Stads Leasing AB as the lessor. Agreements with Göteborgs Stads Leasing relating to machinery and equipment are classified as financial leases. The agreements carry an economic risk for the lessee which means that leasing can be compared to purchasing the assets. The vehicle leasing agreements with GSL are still classified as operating leases because the economic risk in these agreements remains with the lessor. There are also agreements with Region Västra Götaland on the management of assistive technology which are classified as operating leases because the nature of the agreements means that the financial risk is not transferred to the lessee.

According to the City's model for optimising business premises, these may be either owned or rented to provide flexibility for the City's services. In the long term, the City Council has decided that the City should own its business premises (CC 2023-01-26 section 22, rev 2024-II-07 section 451). Property rentals are mainly taken by wholly owned group companies. Only in exceptional cases, and when there are no alternatives, are premises rented from external landlords. Almost all of the Municipality's leases have been classified according to the criteria in RKR R5 *Leasing*. Normally, the financial risk or future service potential is not deemed to pass to the lessee. The agreements are therefore classified as operating leases. A few contracts are deemed to fulfil the criteria in RKR R5 *Leasing* to be classified as financial leases, but these are judged to be of limited value and are not recognised as financial leases. See Notes 10 and 23.

Financial assets

See section on *Financial liabilities*.

Subsidies for state infrastructure

The Municipal Accounting Act requires subsidies for state infrastructure to be disclosed. The dissolution period is set to 25 years for existing projects. See Note 12.

Current assets

The supplies and storage facilities in the City of Gothenburg are mainly used for materials intended for the City's own operations, for the construction of its own facilities and for repairs and maintenance. Inventories are valued at the

lower of cost and fair value at the balance sheet date. The threshold for material value above which the asset must be recognised is SEK 5 million per administration/company, but there is an option to recognise lower values too.

Equity

Earnings for the Eco-cycle and Water Committee within operations financed by tariffs do not affect equity. Instead, the result is recorded as a surplus/deficit and hence as a liability/receivable to the subscriber.

Liabilities and provisions

Financial liabilities

Financial assets and liabilities are recognised as non-current or current items depending on their character. The item is reclassified as current when it matures within 12 months (or the part that is amortised within 12 months is reclassified), unless an extension agreement is in place at the balance sheet date. Financial assets and liabilities are recognised at cost.

Lending to Group companies is not reclassified as a current item if the company expects the debt to be settled in the longer term. Loans to companies that are expected to be repaid within 12 months are classified as current.

Financial leases are recognised as non-current or current items depending on their nature.

For premiums and discounts, the effective interest method is used from 2024 onwards. The change in methodology is not expected to have any material effect on the results. Charges are still amortised on a straight-line basis over the life of the loan.

Assets and liabilities denominated in foreign currencies are valued at the hedged price when available. Otherwise they are translated at the exchange rate on the balance sheet date as provided by the Riksbank.

Derivatives and hedge accounting

Hedge accounting in accordance with RKR R8 *Derivatives and Hedge Accounting* is applied. Documentation of the hedging relationship is prepared, including the purpose of the hedge, the nature of the risk being hedged, the hedging instrument and an assessment of the effectiveness of the hedge.

The City of Gothenburg hedges part of its debt through interest rate derivatives. The aim is to eliminate variability in future cash flows relating to payments at variable interest rates

and to fix interest costs. The Municipality also hedges its foreign exchange exposure through currency derivatives. The effectiveness of the hedging relationship is assessed at each balance sheet date by comparing the principal terms of the hedging instruments with the principal terms of the hedged item. The hedging relationship is considered effective as long as there is no significant change in the principal terms of either the hedging instrument or the hedged item.

Swap interest is recognised in profit and loss on an ongoing basis as part of the City's interest expenses, taking account of any accrued interest on the swap. The effect of closing a derivative contract due to the termination of the hedging relationship is recognised directly in the income statement. See Notes 18 and 19.

Pensions

The Municipality's pension liability is recognised in accordance with the statutory mixed model. This means that all pensions earned before 1998 under earlier pension schemes are shown as a contingent liability, entered as a memorandum item, and not entered as a provision in the balance sheet. Expected future special employer's contributions are also reported as a memorandum item. Payments relating to pension benefits earned before 1998 are recognised as a cost in the income statement. See Note 21.

Pension benefits earned in pension schemes from 1998 onwards are shown as a cost in the income statement and a provision in the balance sheet. A special employer's contribution of 24.26 per cent of pension provisions made is also reserved under provisions. See Note 16.

Defined-contribution pensions including employer's contributions are included in "accruals and deferred income" under current liabilities. See Note 19.

The City of Gothenburg calculates the current pension liability for employees in the Municipality as in the specified guidelines, RIPS. Pension obligations for employees of the municipal companies are reported in accordance with BFNAR 2012:1.

Provisions

A provision is a liability that is uncertain with regard to date of maturity or amount and, for the Municipality, refers only to legal obligations. RKR R9 *Provisions and contingent liabilities* states that the expected timing and uncertainty of the outflow of resources for each provision must be disclosed. This is not done because it would be

too complicated to specify this for each item, as they are grouped. According to the recommendation, informal obligations recognised as provisions in municipal companies should be reclassified as contingent liabilities in the consolidated accounts. Provisions exceeding a material amount have been reviewed. See Note 17.

Landfill sites

Provisions for restoration of landfill sites have been entered for the Municipality at amounts assessed to be necessary to settle the obligation on the balance sheet date. These are recognised at present value when the amount is deemed to be material.

Provisions for restoration of landfill sites for the Municipal Group are made progressively, taking account of the remaining life of the landfill. The Renova Group's provisions for landfill restoration are calculated at present value in accordance with the rules in K3 and comply with RKR R9 *Provisions and contingent liabilities*.

Deferred tax

Deferred tax is calculated using the balance sheet method on all temporary differences arising between the carrying amounts and taxable value of assets and liabilities. The temporary differences have arisen mainly from differences between

accounting and taxable depreciation on non-current assets, provisions and tax deficits.

Co-financing for public infrastructure

Agreements entered into on subsidies from the state or other legal entities for investments in non-current assets that the City of Gothenburg is not going to own or have the use of are normally recognised as a cost in the income statement and a provision in the balance sheet when the agreement is signed.

Memorandum items

The term 'memorandum items' refers to an accounting concept whereby pledged assets and contingent liabilities are not included as liabilities or provisions in the balance sheet, but are disclosed as a note immediately beneath. Contingent liabilities consist of possible commitments where there is uncertainty as to the amount and/or degree of realisation. These include the Municipality's guarantee commitments and pension obligations dating back beyond 1998. See Notes 20, 21 and 22. The pension obligation is described in its entirety in the Administration Report under *Disclosures on pension obligations*.

2. Operating income

Amounts in MSEK	Municipal Group		Municipality	
	2024	2023	2024	2023
Sales revenue	8,924	9,298	514	499
Tariffs and charges	3,403	3,085	3,578	3,230
Rents and leases*	9,852	9,316	1,631	1,562
State subsidies and reimbursements	2,526	2,421	2,499	2,412
Grants and gifts from private actors	33	29	33	29
Public subsidies (investments)	115	113	115	113
EU grants	24	8	16	8
Other subsidies	770	681	650	615
Sale of business and consulting services	3,418	3,341	1,806	2,001
Income from development activities	1,014	1,050	1,014	1,050
Capital gains on non-current assets	569	196	335	118
Other operating income	679	746	-	-
Total operating income	31,327	30,284	12,191	11,637

Comparative figures for 2023 have been restated following corrections/changes, see Note 24 a).

* Breakdown of ground rents

Category	Number		Area (m ²)		Land tax value (MSEK)		Income (MSEK)	
	2024	2023	2024	2023	2024	2023	2024	2023
Single-family homes	8,667	8,676	3,018,898	3,024,607	18,069	15,225	123	117
Multi-family housing	798	795	4,553,174	4,553,411	25,892	26,177	212	206
Industry	338	333	2,226,384	2,238,647	1,310	1,304	68	68
Other	355	356	3,190,357	3,260,096	427	396	58	57
Total	10,158	10,160	12,988,813	13,076,761	45,698	43,102	461	448

The buyout of small residential plots where the tenure has been less than ten years is at market price. If the tenure has lasted for more than ten years, buyout is at 65 per cent of the current assessed value for land tax.

Buyout of other categories is subject to special arrangements.

3. Operating expenses

Amounts in MSEK	Municipal Group		Municipality	
	2024	2023	2024	2023
Staff costs excluding social security contributions and pension costs	-22,109	-21,641	-18,172	-17,913
Social security payments including employer's contribution	-7,854	-7,607	-6,413	-6,269
Pension costs	-3,444	-2,904	-3,082	-2,510
Subsidies paid	-3,730	-2,623	-3,730	-2,623
Purchase of main activity	-10,366	-9,642	-10,363	-9,635
Rent for premises and land	-1,419	-1,230	-1,651	-1,567
Fuel, energy, water, etc.	-1,947	-6,511	-481	-411
Materials, services and other operating expenses	-13,233	-9,188	-6,187	-6,331
Capital losses and disposals	-415	-93	-61	-119
Cost of development properties sold	-80	-223	-80	-223
Current and deferred corporate income tax	-268	5	-	-
Total operating expenses	-64,865	-61,657	-50,220	-47,601

Comparative figures for 2023 have been restated following corrections/changes, see Note 24 a).

4. Depreciation/amortisation and write-downs

Amounts in MSEK	Municipal Group		Municipality	
	2024	2023	2024	2023
Amortisation, intangible assets	-42	-28	-2	0
Depreciation, buildings and plant	-4,416	-4,315	-1,770	-1,643
Depreciation, machinery and equipment	-1,339	-1,153	-779	-694
Write-downs/reversal of write-downs	11	-577	-	10
Total depreciation/amortisation and write-downs	-5,786	-6,073	-2,551	-2,327

5. Tax revenue

Amounts in MSEK	Municipal Group		Municipality	
	2024	2023	2024	2023
Preliminary municipal tax	36,125	34,374	36,125	34,374
Preliminary final settlement, current year	113	469	113	469
Final settlement difference, previous year	-152	153	-152	153
Total tax revenue	36,086	34,996	36,086	34,996

6. General state subsidies and equalisation

Amounts in MSEK	Municipal Group		Municipality	
	2024	2023	2024	2023
Income equalisation	3,323	3,097	3,323	3,097
Cost equalisation	-1,415	-1,391	-1,415	-1,391
Settlement subsidy/charge	1,846	1,391	1,846	1,391
Municipal property charge	980	948	980	948
Subsidy/charge for LSS equalisation	343	413	343	413
Other subsidies in the equalisation system	-	-	-	-
Other general state subsidies	88	70	88	70
Total general state subsidies and equalisation	5,165	4,528	5,165	4,528

General state subsidies received but not recognised as income amount to SEK 31 million

General state subsidies Not recognised as income Original amount

Increased staffing of SSK in VOB in 2024 SEK 31 million (June 2024-Dec 2025, 12 months remaining)
SEK 50 million

7. Financial income and expenses

Amounts in MSEK	Municipal Group		Municipality	
	2024	2023	2024	2023
Dividends on shares and participations	9	-28	16	-
Dividends on shares and participations in Group companies	-	-	951	315
Income from financial assets	12	9	5	9
Interest income	91	99	84	67
Interest income, Group companies	-	-	1,480	1,109
Guarantee fees	1	0	7	9
Other financial income	242	53	20	52
Total financial income	355	133	2,563	1,561
Interest expenses	-1,321	-1,046	-1,584	-1,281
Interest expenses, Group companies	-	-	-69	-70
Financial expenses, change in pension provision	-510	-372	-447	-334
Other financial expenses	-43	-26	-235	-39
Total financial expenses	-1,874	-1,444	-2,335	-1,724

8. Items affecting comparability

Amounts in MSEK	Included in note	Municipality	
		2024	2023
Gain/loss on sale of non-current assets		321	127
Gain/loss on sale of development property		487	327
Gain/loss on other development activities		265	473
Dividends from Group companies*	7	750	315
Provision for co-financing of state infrastructure Gothenburg-Borås	2	-1,100	-
Total items affecting comparability		723	1,242
Itemisation:			
Capital gains on sale of property, plant and equipment	2	335	118
Capital loss on sale of property, plant and equipment	3	-18	-
Capital gains on sale of financial assets	7	4	9
Other sales-related expenses	3.7	0	0
Gain/loss on sale of non-current assets		321	127
Sale price, development property	2	567	551
Cost of sold development property	3	-110	-216
Change in future commitments	3	30	-8
Gain/loss on sale of development property		487	327
Developer contributions**	2	369	487
Co-financing from developer	2	78	14
Other development-related income	2	4	0
Co-financing to state and region	3	-140	-21
Other development-related expenses	3	-46	-7
Gain/loss on other development activities		265	473

* Includes a capital contribution from the City Executive Board to Göteborgs Stadshus AB, SEK -200 million .

** Includes value of public space transferred from developer.

The assessment only covers items affecting comparability for the Municipality.

9. Intangible fixed assets

Amounts in MSEK	Municipal Group		Municipality	
	2024	2023	2024	2023
Internally generated intangible fixed assets				
Cost at start of period	-	-	-	-
Acquisitions	-	-	-	-
Sales/disposals	-	-	-	-
Reclassifications/transfers	-	-	-	-
Cum. cost at end of period	0	0	0	0
Cum. depreciation and amortisation at start of period	-	-	-	-
Sales/disposals	-	-	-	-
Reclassifications/transfers	-	-	-	-
Depreciation for the year	-	-	-	-
Cum. depreciation and amortisation at end of period	0	0	0	0
Cum. write-downs at start of period	-	-	-	-
Sales/disposals	-	-	-	-
Reclassifications/transfers	-	-	-	-
Write-downs/reversals for the year	-	-	-	-
Cum. write-downs at end of period	0	0	0	0
Carrying amount at end of period	0	0	0	0
Average useful life (years)	-	-	-	-
Intangible fixed assets acquired				
Cost at start of period	1,383	1,332	23	23
Acquisitions	107	50	9	-
Sales/disposals	-2	-1	-	-
Reclassifications/transfers	-59	2	75	-
Cum. cost at end of period	1,429	1,383	107	23
Cum. depreciation and amortisation at start of period	-991	-962	-23	-23
Sales/disposals	-179	-	-	-
Reclassifications/transfers	334	1	-	-
Depreciation for the year	-42	-30	-3	-
Cum. depreciation and amortisation at end of period	-878	-991	-26	-23
Cum. write-downs at start of period	-67	-67	-	-
Sales/disposals	-	-	-	-
Reclassifications/transfers	-	-	-	-
Write-downs/reversals for the year	-	-	-	-
Cum. write-downs at end of period	-67	-67	0	0
Carrying amount at end of period	484	325	81	0
Average useful life (years)	31.8	42.4	8.5	4.3
Total intangible fixed assets	484	325	81	0
Intangible fixed assets				
Carrying amount at beginning of year	325	303	0	0
Acquisitions	107	50	9	-
Sales/disposals	-181	-1	-	-
Write-downs	-	-	-	-
Depreciation/amortisation	-42	-30	-3	-
Other changes	275	3	75	-
Carrying amount at end of year	484	325	81	0

All values for the comparative year 2023 relating to internally generated intangible fixed assets have been transferred to assets acquired.

10. Property, plant and equipment

Amounts in MSEK	Municipal Group		Municipality	
	2024	2023	2024	2023
Land, plant and buildings				
Cost at start of period	177,030	167,957	64,590	59,547
Acquisitions	11,420	10,445	6,546	5,605
Sales/disposals	-1,957	-928	-970	-315
Reclassifications/transfers	987	-444	-306	-247
Cum. cost at end of period	187,480	177,030	69,860	64,590
Cum. depreciation and amortisation at start of period	-65,230	-61,403	-19,584	-18,133
Sales/disposals	1,128	477	849	193
Reclassifications/transfers	159	-84	2	-1
Depreciation for the year	-4,416	-4,220	-1,770	-1,643
Cum. depreciation and amortisation at end of period	-68,359	-65,230	-20,503	-19,584
Cum. write-downs at start of period	-2,756	-2,364	-2	-12
Sales/disposals	16	7	-	-
Reclassifications/transfers	-4	178	-	-
Write-downs/reversals for the year	15	-577	-	10
Cum. write-downs at end of period	-2,729	-2,756	-2	-2
Carrying amount at end of period	116,392	109,044	49,355	45,004
Average useful life (years)	35.0	34.4	30.3	30.6
Machinery and equipment				
Cost at start of period	21,000	17,900	9,241	8,228
Acquisitions	4,748	3,580	1,640	1,080
Sales/disposals	-442	-373	-32	-7
Reclassifications/transfers	-1,463	-107	100	-60
Cum. cost at end of period	23,843	21,000	10,949	9,241
Cum. depreciation and amortisation at start of period	-9,317	-8,443	-4,051	-3,547
Sales/disposals	375	313	17	6
Reclassifications/transfers	-114	32	99	179
Depreciation for the year	-1,340	-1,219	-773	-689
Cum. depreciation and amortisation at end of period	-10,396	-9,317	-4,708	-4,051
Cum. write-downs at start of period	-74	-112	0	0
Sales/disposals	-	-	-	-
Reclassifications/transfers	3	38	-	-
Write-downs/reversals for the year	-4	0	-	0
Cum. write-downs at end of period	-75	-74	0	0
Carrying amount at end of period	13,372	11,609	6,241	5,190
Average useful life (years)	14.6	14.3	13.1	12.7
Other property, plant and equipment				
Cost at start of period	400	323	145	125
Acquisitions	26	16	9	13
Sales/disposals	0	0	-	-
Reclassifications/transfers	84	61	8	7
Cum. cost at end of period	510	400	162	145

Amounts in MSEK	Municipal Group		Municipality	
	2024	2023	2024	2023
Cum. depreciation and amortisation at start of period	-138	-110	-39	-35
Sales/disposals	0	0	-	-
Reclassifications/transfers	0	-8	-	-
Depreciation for the year	-24	-20	-6	-4
Cum. depreciation and amortisation at end of period	-162	-138	-45	-39
Cum. write-downs at start of period	-	-	-	-
Sales/disposals	-	-	-	-
Reclassifications/transfers	-	-	-	-
Write-downs/reversals for the year	-	-	-	-
Cum. write-downs at end of period	0	0	0	0
Carrying amount at end of period	348	262	117	106
Average useful life (years)	15.2	14.8	16.0	20.0
Total property, plant and equipment	130,112	120,915	55,713	50,300
Property, plant and equipment				
Carrying amount at beginning of year	120,915	113,748	50,300	46,173
Acquisitions	16,194	14,040	8,195	6,698
Sales/disposals	-879	-504	-137	-123
Write-downs	11	-577	0	10
Depreciation/amortisation	-5,781	-5,459	-2,549	-2,337
Other changes	-348	-333	-96	-121
Carrying amount at end of year	130,112	120,915	55,713	50,300
Itemisation: Of which: leasing				
Machinery and equipment				
Cost	-	-	4,802	4,260
Cumulative amortisation	-	-	-3,178	-2,800
Write-downs	-	-	-	-
Carrying amount at end of period	0	0	1,624	1,460
Average useful life (years)	-	-	9.5	9.1
Itemisation: Of which: ongoing				
Cost at start of period	19,642	17,557	10,423	9,086
Acquisitions	16,194	14,040	8,195	6,698
Transfers	-16,544	-11,635	-6,987	-5,361
Sales/disposals	-490	-287	-	-
Write-downs	-38	-212	-	-
Other	2,116	178	-	-
Carrying amount at end of period	20,880	19,642	11,632	10,423

Comparative figures for 2023 have been restated following corrections/changes, see Note 24 b).

For the Group as a whole, there are additional write-downs of SEK 192 million and reversals of SEK 267 million. Items written down by companies and reversed in the Municipal Group have been reversed by SEK 59 million as their write-downs have been dissolved or reversed.

For the Group, this includes the value of capitalised borrowing costs of SEK 658 million, which is a net decrease of SEK 27 million in the year (the previous year saw SEK 19 million added). The interest rate is 3.0 per cent (previous year 1.9 per cent).

11. Financial assets

Amounts in MSEK	Municipal Group		Municipality	
	2024	2023	2024	2023
Shares and participations in:*				
Göteborgs Stadshus AB	-	-	9,451	9,451
Kommuninvest cooperative	489	451	489	451
Other companies, tenant-owner dwellings and primary capital trusts	78	83	17	17
Non-current lending to Group companies	-	-	48,169	43,864
Other long-term receivables	708	667	2	21
Total financial assets	1,275	1,201	58,128	53,804

* A list of the City of Gothenburg's shareholdings can be found in Note 30.

12. Infrastructure subsidies

Amounts in MSEK	Municipal Group		Municipality	
	2024	2023	2024	2023
Swedish Transport Administration subsidies				
Total subsidy	37	33	37	33
Cumulative dissolution	-10	-9	-10	-9
<i>of which: dissolution for the year</i>	<i>-1</i>	<i>-1</i>	<i>-1</i>	<i>-1</i>
Total infrastructure subsidies	27	24	27	24

The original total grant was SEK 37 million. The closing value refers to eight projects for a pedestrian and bicycle path, roundabout and commuter parking. The largest project accounts for an original amount of SEK 15 million. The dissolution period is 25 years for all projects. Dissolution for the year is SEK -1 million (previous year SEK -1 million) and cumulative dissolution is SEK 10 million.

13. Stocks, stores and development properties

Amounts in MSEK	Municipal Group		Municipality	
	2024	2023	2024	2023
Inventories	1,513	865	86	85
Development properties	1,328	1,723	1,328	1,305
Total supplies	2,841	2,588	1,414	1,390
Itemisation: Development properties				
Value brought forward	1,723	1,631	1,305	1,274
Expenses for the year	174	379	174	189
Withdrawal of book value	-182	-355	-182	-222
Reclassification/revaluation	-387	68	31	64
Total development properties	1,328	1,723	1,328	1,305

Comparative figures for 2023 have been restated following corrections/changes, see Note 24 b).

14. Receivables

Amounts in MSEK	Municipal Group		Municipality	
	2024	2023	2024	2023
Accounts receivable	2,049	2,108	746	653
Accounts receivable, Group companies	-	-	149	240
VAT receivables	410	416	380	374
State subsidies and reimbursements*	215	216	215	216
Municipal property tax receivable	528	468	528	468
Municipal tax receivables	430	1,308	430	1,308
Other current receivables	2,069	1,798	599	727
Other current receivables, Group companies	-	-	674	372
Prepayments and accrued income	2,409	2,843	2,089	1,833
Total current receivables	8,110	9,157	5,810	6,191

* Of this amount, SEK 124 million relates to accrued targeted state subsidies.

15. Equity

Amounts in MSEK	Municipal Group		Municipality	
	2024	2023	2024	2023
Equity brought forward	47,079	46,312	36,131	35,061
<i>of which: equity adjustment</i>	<i>183</i>	<i>13</i>	<i>-</i>	<i>-</i>
Net earnings for the year	408	767	899	1,070
Closing equity	47,670	47,079	37,030	36,131
<i>of which: earnings equalisation reserve</i>	<i>5,844</i>	<i>5,844</i>	<i>5,844</i>	<i>5,844</i>

Comparative figures for 2023 have been restated following corrections/changes, see Note 24 b).

Of the equity adjustment, SEK 176 million relates to shareholder contributions in connection with the formation of a jointly controlled entity within the Göteborgs Hamn Group.

16. Provisions for pensions and similar obligations

Amounts in MSEK	Municipal Group		Municipality	
	2024	2023	2024	2023
Defined-benefit pension scheme	7,073	5,609	5,780	4,330
Collective agreement occupational pension, fixed-term pension, etc.	7	9	7	9
Total pensions	7,080	5,618	5,787	4,339
Employer's contribution	1,491	1,142	1,404	1,053
Total provisions for pensions and similar obligations	8,571	6,760	7,191	5,392
Itemisation: Change in provision over the year				
Provision brought forward	6,760	5,559	5,392	4,265
New commitments during the year	1,675	1,166	1,594	1,036
<i>of which newly earned pension</i>	<i>1,195</i>	<i>752</i>	<i>1,152</i>	<i>697</i>
<i>of which interest and base amount indexation</i>	<i>560</i>	<i>437</i>	<i>447</i>	<i>334</i>
<i>of which change in actuarial bases</i>	<i>2</i>	<i>-7</i>	<i>0</i>	<i>0</i>
<i>of which pension to survivors</i>	<i>-2</i>	<i>2</i>	<i>5</i>	<i>8</i>
<i>of which miscellaneous</i>	<i>-80</i>	<i>-18</i>	<i>-10</i>	<i>-3</i>
Payouts for the year	-214	-191	-146	-129
Change in special employer's contribution for the year	350	226	351	220
Total provisions for pensions and similar obligations	8,571	6,760	7,191	5,392

Degree of updating 100 per cent (previous year 100 per cent). Number of elected representatives with fixed-term pensions 8 (previous year 8).

17. Other provisions

Amounts in MSEK	Municipal Group		Municipality	
	2024	2023	2024	2023
A. Provision for restoration of landfill				
Carrying amount at beginning of year	85	88	19	19
Provisions for the period	9	8	-	-
Provisions utilised	-12	-11	-1	0
Unused amounts reversed	-	-	-	-
Reclassification	-	-	-	-
Closing provision	82	85	18	19
B. Provision for infrastructure measures				
Carrying amount at beginning of year	242	224	242	224
Provisions for the period	1,097	22	1,097	22
Provisions utilised	-22	-4	-22	-4
Unused amounts reversed	-18	-	-18	-
Reclassification	-	-	-	-
Closing provision	1,299	242	1,299	242

Amounts in MSEK	Municipal Group		Municipality	
	2024	2023	2024	2023
C. Provision for measures in the construction sector				
Carrying amount at beginning of year	1,171	1,569	89	83
Provisions for the period	518	153	2	24
Provisions utilised	-339	-523	-23	-17
Unused amounts reversed	-8	-28	-8	-1
Reclassification	-	-	-	-
Closing provision	1,342	1,171	60	89
D. Provision for environmental measures				
Carrying amount at beginning of year	55	67	25	25
Provisions for the period	1	-	-	-
Provisions utilised	-1	-12	-1	0
Unused amounts reversed	-10	0	-10	0
Reclassification	-	-	-	-
Closing provision	45	55	14	25
E. Other provisions				
Carrying amount at beginning of year	274	228	14	8
Provisions for the period	32	60	17	8
Provisions utilised	-15	-13	-1	-1
Unused amounts reversed	-23	-1	-2	-1
Reclassification	-	-	-	-
Closing provision	268	274	28	14
F. Deferred taxes				
Carrying amount at beginning of year	3,812	3,837	-	-
Provisions for the period	214	82	-	-
Provisions utilised	0	-71	-	-
Unused amounts reversed	-14	-7	-	-
Reclassification	40	-29	-	-
Closing provision	4,052	3,812	0	0
Total opening balance	5,639	6,013	389	359
Total provisions for the period	1,871	325	1,116	54
Total utilised	-389	-634	-48	-22
Total unused amounts reversed	-73	-36	-38	-2
Reclassification	40	-29	-	-
Total closing balance	7,088	5,639	1,419	389

Municipal Group

No provisions were considered to be informal obligations that should have been reclassified as contingent liabilities.

A. Landfill

Aside from the Municipality's share of SEK 18 million, the provision for landfill restoration relates to the restoration of landfill sites within the Renova Group. These relate to the landfill sites in Tagene, Torsviken and Fläskebo. The opening balance of SEK 66 million has been reduced to SEK 64 million, of which Tagene accounts for SEK 38 million. The provisions in Renova are discounted, and this calculation has reduced the provision by SEK 0.8 million.

B. Infrastructure

See the Municipality.

C. Measures in the construction sector

Apart from the Municipality's provisions, which have decreased from SEK 89 million to SEK 60 million, the provision for measures in the construction sector relates mainly to future commitments in construction projects within the Älvstranden Group. These provisions have increased by a total of SEK 201 million from SEK 1,045 million to SEK 1,246 million and consist mainly of:

- Masthuggskajen: the opening balance of SEK 794 million has increased by SEK 227 million to SEK 1,021 million, partly as a result of a new provision of SEK 483 million and partly because SEK 256 million has been utilised. The provision is expected to have an ongoing outflow until 2031. A further provision of SEK 4 million has been added to the opening balance of SEK 71 million related to contracting activities on Halvön. The project is expected to run until 2025, but there is uncertainty about the occurrence and timing of future outflows.
- Lindholmshamnen: opening balance SEK 69 million. SEK 37 million utilised, leaving a closing balance of SEK 32 million. The provision is expected to have an outflow until 2025.
- Frihamnen: opening balance of SEK 44 million plus additional provision of SEK 9 million.
- Sannegården: opening balance of SEK 33 million is largely unchanged. The closing balance is SEK 32 million and the provision has an expected ongoing outflow until 2030.
- Celsiusgatan: opening balance SEK 32 million, closing balance SEK 29 million.
- Higab AB recognises ongoing provisions for various construction projects with an opening balance totalling SEK 30 million and a closing balance of SEK 36 million. Within Förvaltnings AB Framtiden, there is also a current provision with an opening balance of SEK 7 million and a closing balance of SEK 3 million.

D. Environmental measures

Aside from the Municipality's provision of SEK 14 million, funds earmarked for environmental measures relate to the provision within the Göteborg Energi Group linked to ongoing confirmed future environmental measures, such as land restoration, where the opening balance of SEK 22 million is unchanged.

The remaining amounts are also unchanged and include a provisions for decontamination of the Färjenäs training area used by Greater Gothenburg Rescue Services and a provision to Gryaab for soil decontamination in Färjestaden, of SEK 4 million each.

E. Other provisions

Aside from the Municipality's provision of SEK 28 million, other amounts consist mainly of provisions for outstanding claims within Försäkrings AB Göta Lejon, where utilised funds of SEK 8 million give a closing balance of SEK 214 million. During the year, a new provision of SEK 11 million was made at Higab AB for possible repayment of the annual rent for the

Casino. A provision of SEK 21 million at Spårvägen AB for a dispute arising in connection with the construction of a new workshop was reversed during the year. Spårvägen also has a provision linked to the replacement of wheel axles, where the work is expected to take place over a five-year period, with a closing balance of SEK 11 million.

Municipality

A. Landfill

The Municipality's provision relates to the restoration of the City's 17 discontinued landfill sites, for which the Eco-cycle and Water Committee is responsible. Brudaremossen is the biggest of the landfill sites and accounts for the largest proportion of the restoration costs. The amount of the provision is hard to calculate as restoration needs are changing. There may be changes in the environment, and others arising from new technological solutions. Ongoing improvement measures are in progress at all landfill sites. The Municipality's provision for the restoration of landfill sites is not discounted because the financial effect is trivial.

B. Infrastructure

In 2014, the Municipality signed a co-financing agreement for the extension of the E20 motorway, which is a sub-agreement between the Gothenburg Region Association of Local Authorities (GR) and the City of Gothenburg. The payment plan for co-financing currently envisages a final payment in 2026. In 2014, co-financing agreements were also concluded to lower the E45 motorway to accommodate the new Hising Bridge, and for urban development. Gator Backaplan covers co-financing for measures relating to the state infrastructure that is a prerequisite for the City's planned urban development. These measures have been postponed and new contracts were signed in 2021 after the joint project between the City and the Swedish Transport Administration was reorganised. In 2024, it was agreed to invest in a rail link between Gothenburg and Borås. A provision of SEK 1,100 million has been raised to cover the City's co-financing of this project. These costs were fully expensed in the Municipality in 2024.

C. Measures in the construction sector

This provision relates to the Municipality's future obligations to the developer on the date of sale, such as relocating pipes and cables, decommissioning and surveys.

D. Environmental measures

The provision relates to the Municipality's future obligations to the developer on the date of sale, such as soil decontamination.

E. Other provisions

Other provisions relate to expected damages, penalties, outstanding claims, etc.

18. Non-current liabilities

Amounts in MSEK	Municipal Group		Municipality	
	2024	2023	2024	2023
Liabilities to banks and credit institutions	49,276	45,869	47,884	43,462
Liabilities to Group companies	-	-	415	418
Non-current lease liability	-	-	1,118	999
Other non-current liabilities	145	102	40	16
Deferred income, construction/connection charges	1,328	1,127	984	812
Deferred income, public investment subsidies	4,406	4,077	4,250	3,963
Total non-current liabilities	55,155	51,175	54,691	49,670
Non-current liabilities change over the year				
Non-current liability at start of period	51,175	47,081	49,670	44,311
Newly raised loans	13,233	11,923	13,216	11,900
Repayment of interest-bearing debt	-9,816	-8,278	-8,787	-6,939
Accrual of premiums and discounts	-10	24	-10	24
Change in lease liability	-	-	119	118
Change in other non-current liabilities	43	-4	24	-4
Change in deferred income	530	429	459	260
Total non-current liabilities at end of period	55,155	51,175	54,691	49,670
Construction/connection charges, remaining number of years (weighted average)	45.9	43.1	60.8	57.3
Public investment subsidies, remaining number of years (weighted average)	47.1	48.5	48.3	48.5
Information on non-current and current borrowing				
Average interest rate (%)	2.3	2.0	2.7	2.5
Average interest rate excluding derivatives(%)	3.0	2.8	3.1	2.9
Average fixed interest period (years)	3.1	3.1	3.0	2.9
Average fixed interest period excluding derivatives (years)	2.0	1.9	2.0	1.9
Average capital commitment period (years)	3.3	3.2	3.3	3.3
Loans maturing within 0-1 year(%)	20	22	19	21
Loans maturing within 1-2 years(%)	13	17	13	16
Loans maturing within 2-5 years(%)	51	44	52	46
Loans maturing within 5+ years (%)	16	17	16	17
Hedging instruments				
Nominal amount of interest rate swaps	18,500	18,400	13,300	11,000
Market value of interest rate swaps	128	257	-4	-9
Secured debt in foreign currency	2,048	2,048	2,048	2,048
Market value, cross-currency swaps	-104	-66	-104	-66

Comparative figures for 2023 have been restated following corrections/changes, see Note 24 b).

Public investment subsidies are accrued over a period of 10 to 80 years, depending on the useful life of the component/asset to which the subsidy relates. For older revenue (prior to the introduction of component accounting in 2017), the dissolution is generally applied at 33 years. Beginning in 2021, connection charges are accrued at the Eco-cycle and Water Committee over 80 years (previously 50 years).

For the Group, there is an additional adjustment for Göteborg Energi AB 's connection charges, which total SEK 344 million. Of this amount, SEK 183 million was added during the year (previous year SEK 190 million) and will be accrued over five years according to a simplified model to meet the costs incurred. A public investment subsidy of SEK 35 million (previous year SEK 113 million) for Göteborgs Hamn AB has been changed to a non-current liability. No accruals have been made for the added grant in 2024.

19. Current liabilities

Amounts in MSEK	Municipal Group		Municipality	
	2024	2023	2024	2023
Liabilities to banks and credit institutions	12,671	12,630	11,524	11,442
Liabilities to Group companies	-	-	2,072	1,738
Accounts payable	3,895	4,361	2,483	2,925
VAT and excise duties	31	62	0	0
Employee taxes, charges and deductions	500	502	366	363
Retroactive pay and compensation for inconvenient working hours*	746	718	746	718
Holiday and overtime liability*	1,629	1,614	1,382	1,476
Other accrued personnel costs	1,099	1,044	1,066	1,003
Municipal tax liabilities	-	-	-	-
Current portion of long-term lease liability	-	-	505	461
Other current liabilities**	1,548	827	362	284
Other accrued expenses and deferred income	4,169	4,666	1,422	1,625
Total current liabilities	26,288	26,424	21,928	22,035
Market value of swaps				
Secured debt in foreign currency	1,081	3,084	1,081	3,084
Currency swaps	7	-206	7	-206

Comparative figures for 2023 have been restated following corrections/changes, see Note 24 b).

* Includes accrued social security contributions.

** Of this amount, SEK 31 million relates to prepaid general state subsidies, SEK 133 million to prepaid targeted state subsidies, and SEK 49 million to state subsidies to be repaid.

20. Pledges and equivalent collateral

Amounts in MSEK	Municipal Group		Municipality	
	2024	2023	2024	2023
Property mortgages	18	28	-	-
Other pledged assets*	487	497	-	-
Total pledges and equivalent collateral	505	525	0	0

* The item for 2024 consists of:

- SEK 410 million (previous year SEK 380 million) relating to assets registered for debt coverage of the technical provisions at Göta Lejon AB. In the event of insolvency, policyholders have a preferential right to the registered assets.
- SEK 77 million (previous year SEK 117 million) relating to cash provided by Göteborg Energi Din El AB's as collateral for its trading on Nasdaq.

21. Pension obligations not recognised as liabilities or provisions

Amounts in MSEK	Municipal Group		Municipality	
	2024	2023	2024	2023
PA-KL pension obligations, active	1,960	2,206	1,952	2,198
PA-KL pension obligations, retired	6,091	5,649	6,023	5,579
Pension obligations, annuity	265	263	265	263
Total PA-KL pension obligations	8,316	8,118	8,240	8,040
Pension obligations, managers' agreements	-	-	-	-
Other pension obligations	6	5	6	5
Guarantee commitments, FPG/PRI	8	7	-	-
Total pension obligations	8,330	8,130	8,246	8,045
Special employer's contribution	2,016	1,969	2,000	1,952
Total pension obligations and special employer's contribution	10,346	10,099	10,246	9,997
Itemisation: Change in contingent liabilities over the year				
Contingent liability for pension obligations at start of year	10,099	9,988	9,997	9,875
New commitments during the year	779	606	773	609
<i>of which interest and base amount indexation</i>	637	655	631	649
<i>of which change in actuarial bases</i>	-	-	-	-
<i>of which pension to survivors</i>	-	-	-	-
<i>of which miscellaneous</i>	142	-49	142	-40
Payouts for the year	-579	-518	-572	-511
Change in special employer's contribution for the year	47	23	48	24
Total contingent liability for pension obligations	10,346	10,099	10,246	9,997

The Municipality has redeemed pension obligations in contingent liabilities amounting to SEK 420 million in 2001, SEK 260 million in 2002 and SEK 20 million in 2016, a total of SEK 700 million.

22. Other contingent liabilities

Amounts in MSEK	Municipal Group		Municipality	
	2024	2023	2024	2023
Guarantees for loans and pension obligations, own companies				
Gothenburg Port Authority	-	-	454	442
Göteborg Energi AB	-	-	10	10
Higab AB	-	-	296	584
Göteborgs Stadshus AB	-	-	1,570	2,396
Förvaltnings AB Framtiden	-	-	412	412
Other companies	-	-	215	229
Total guarantees City companies	0	0	2,957	4,073
Other external guarantees				
Private houses – government home loans	-	-	-	-
Foundations	388	401	388	401
Associations	125	148	125	148
Other	1	0	0	0
Total external guarantees	514	549	513	549
Other obligations				
Parent company guarantee*	798	771	-	-
Other contingent liabilities	142	143	-	-
Total other obligations	940	914	0	0
Total other contingent liabilities	1,454	1,463	3,470	4,622

* A parent company guarantee was provided by Göteborg Energi AB in favour of the clearing counterparty as security for Göteborg Energi Din El AB's financial electricity trade of SEK 574 million (previous year SEK 555 million). A parent company guarantee was also provided in favour of the balance responsible party as security for Göteborg Energi Din El AB's physical electricity trade of EUR 224 million (previous year SEK 216 million).

In November 2012, the City of Gothenburg stood surety jointly and severally, as for a debt of its own, for all of Kommuninvest i Sverige AB's present and future obligations. All 296 municipalities and regions that were members of the Kommuninvest Cooperative Society on 31 December 2024 have entered into identical guarantees. At 31 December 2024, Kommuninvest's total liabilities amounted to SEK 601 billion and its total assets to SEK 604 billion. The City of Gothenburg's share of the guarantee liability is 2.4 per cent, or SEK 15 billion.

A recourse agreement has been concluded between all members of Kommuninvest Cooperative Society which regulates the division of liability between the member municipalities if the guarantee commitment should be utilised. Under the agreement, liability will be divided partly according to the amount size of the funds that each member municipality has borrowed from Kommuninvest i Sverige AB and partly according to the amount of each member municipality's

capital invested in Kommuninvest Cooperative Society.

The Municipality's guarantee for pension obligations in certain municipal companies, joint statutory authorities and foundations amounted to SEK 741 million at the end of the year. The City of Gothenburg honoured guarantee commitments of SEK 1.5 million in 2024.

23. Leasing

Amounts in MSEK	Municipal Group		Municipality	
	2024	2023	2024	2023
Financial leasing				
Lessee				
Carrying amount on the balance sheet date for machinery and equipment	-	-	1,624	1,460
Present value of minimum lease charges	-	-	1,778	1,586
<i>of which: maturing within 1 year</i>	-	-	505	461
<i>of which: maturing within 1-5 years</i>	-	-	957	860
<i>of which: maturing in more than 5 years</i>	-	-	316	265
Variable charges included in net earnings for the period	-	-	-	-
Estimated implicit interest rate (%)	-	-	3.18	2.57
Lessor				
External receivables	469	513	-	-
Future minimum lease charges relating to non-cancellable leases	488	830	-	-
<i>of which: maturing within 1 year</i>	60	60	-	-
<i>of which: maturing within 1-5 years</i>	232	231	-	-
<i>of which: maturing in more than 5 years</i>	196	539	-	-
Operating leases				
Lessee				
Lease charges paid for the financial year	718	1,162	2,006	2,392
Future minimum lease charges relating to non-cancellable leases	3,761	4,170	3,718	6,430
<i>of which: maturing within 1 year</i>	793	322	952	607
<i>of which: maturing within 1-5 years</i>	1,941	1,573	2,114	2,700
<i>of which: maturing in more than 5 years</i>	1,027	2,275	652	3,123
Lessor				
Future minimum lease charges relating to non-cancellable leases	10,174	10,942	1,102	1,162
<i>of which: maturing within 1 year</i>	2,136	1,979	420	266
<i>of which: maturing within 1-5 years</i>	4,803	5,069	411	495
<i>of which: maturing in more than 5 years</i>	3,235	3,894	271	401

24 a. Impact for comparative year 2023 – income statement

Amount in SEK millions Extract:	Note	Municipal Group			Municipality		
		2023	+/-	2023	2023	+/-	2023
Operating income	2	30,221	63	30,284	11,637	-	11,637
Operating expenses	3	-61,730	73	-61,657	-47,601	-	-47,601
Net operating expenses		-37,582	136	-37,446	-38,291	0	-38,291
Net earnings		1,942	136	2,078	1,233	0	1,233
Earnings after financial items		631	136	767	1,070	0	1,070
Net earnings for the year		631	136	767	1,070	0	1,070

The Municipal Group's result was SEK 136 million too low in 2023:

- SEK 73 million is due to the fact that, for reasons of prudence, the development administration reduced its result because of the ongoing dispute with Älvstranden Utveckling AB, while Älvstranden expensed its accrued costs (externally). An adjustment in the same amount should have been made in the Group. The items concerned relate to the scrapping of ongoing facilities of SEK 53 million and booking of costs of SEK 20 million.
- SEK 63 million is due to the fact that an internal gain attributable to a current asset sold externally by Göteborgs Egnahemsbolag AB was not realised in the Group in 2023.

24 b). Effects on comparative year 2023 – balance sheet

Municipal Group					Municipality		
Amount in SEK millions Extract:	Note	2023	+/-	2023	2023	+/-	2023
NON-CURRENT ASSETS							
Property, plant and equipment	10	120,862	53	120,915	50,300	-	50,300
Total non-current assets		122,388	53	122,441	45,004	0	45,004
CURRENT ASSETS							
Supplies	13	2,525	63	2,588	1,390	-	1,390
Total current assets		14,549	63	14,612	9,489	0	9,489
Total assets		136,961	116	137,077	113,617	0	113,617
EQUITY							
Net earnings for the year	15	631	136	767	1,070	-	1,070
Total equity		46,943	136	47,079	36,131	0	36,131
LIABILITIES							
Non-current liabilities	18	51,175		51,175	50,131	-461	49,670
Current liabilities	19	26,444	-20	26,424	21,574	461	22,035
Total liabilities		77,619	-20	77,599	71,705	0	71,705
Total equity, provisions and liabilities		136,961	116	137,077	113,617	0	113,617

Municipal Group

Corrections to the comparative year 2023 in the income statement have affected the balance sheet for the comparative year as follows:

- equity has improved by a total of SEK 136 million
- property, plant and equipment have increased by SEK 53 million and current liabilities have been reduced by SEK 20 million
- inventories have increased by SEK 63 million.

Municipality

The current portion of the Municipality's lease liability is recognised as a current liability from 2024 onwards. For the Municipality, the comparative year 2023 has been adjusted by SEK 461 million for the items concerned.

25. Cash flow, items not affecting liquidity

Amounts in MSEK	Included in note	Municipal Group		Municipality	
		2024	2023	2024	2023
Capital gains/losses on intangible fixed assets and property, plant and equipment	9, 10	215	677	-252	123
Depreciation/amortisation	9, 10	5,823	5,489	2,551	2,337
Write-downs	9, 10	-11	577	-	-10
Capital gains from municipal group companies	11	-	-	-	-
Provisions made for pensions	16	2,025	1,392	1,946	1,256
Other provisions made	17	1,871	325	1,116	53
Reversal of other provisions	17	-33	-65	-38	-2
Increase/decrease in accrued construction charges and investment subsidies	18	-177	-262	-131	-128
Accrual premiums and discounts on loans for the year	18	114	-102	114	-102
Subsidies for infrastructure, recorded in other sector	RR	-	43	-	43
Adjustment to equity	24	319	12	-	-
Total items not affecting liquidity		10,146	8,086	5,306	3,570

26. Cash flow, items affecting liquidity

Amounts in MSEK	Included in note	Municipal Group		Municipality	
		2024	2023	2024	2023
Payment of provision for pensions	16	-214	-191	-146	-129
Payment of other provisions	17	-389	-611	-48	1
Receipt and payment of premiums and discounts, loans	18	-125	126	-125	126
Total items affecting liquidity		-728	-676	-319	-2

27. Disclosure on prepared separate reports

Special reports prepared in accordance with *the Public Water Services Act (2006:412)*, and special reports for waste management, are available from the Eco-cycle and Water Committee's website: goteborg.se/kretsloppochvatten.

Special reports prepared in accordance with the *Electricity Act (1997:857)*, the *District Heating Act (2008:263)* and the *Natural Gas Act (2005:403)* relating to electricity, gas networks and district heating will be published on Göteborg Energi AB's website: goteborgenergi.se.

Under the *Act (2005:590) on Transparency in Certain Financial Relationships etc.* (the Transpar-

ency Directive), special reports are prepared by Göteborgs Hamn AB and Göteborgs Spårvägar AB. The relevant companies within the Göteborgs Stadshus AB Group prepare a special report in accordance with the legislation. All documents are available from the respective companies.

28. Disclosure of costs for auditing of accounts

Amount in TSEK	Municipal Group		Municipality	
	2024	2023	2024	2023
Expert assistance	17,961	14,895	5,045	4,164
Appointed auditors	4,932	4,745	36	34
Total cost for auditing of accounts	22,893	19,640	5,081	4,198

The amounts relate to the total cost for the auditors to review the accounts, interim report and annual report.

29. Disclosure on intra-group matters: Internal transactions

Amounts in MSEK	Sales		Loans		Interest and guarantee fee		Surety	
	Income	Expense	Lender	Recipient	Income	Expense	Lender	Recipient
Companies	2,988	1,659	874	48,823	57	1,493	-	2,872
Municipality	1,677	3,335	48,822	1,308	1,493	65	2,957	-
Joint statutory authorities	364	35	435	-	8	-	-	85
Total	5,029	5,029	50,131	50,131	1,558	1,558	2,957	2,957

Group and shareholder contributions, and dividends

Amounts in MSEK	Shareholder contribution		Group contribution		Dividend	
	Given	Received	Given	Received	Given	Received
Göteborgs Stadshus AB	255	205	919	692	950	1,309
Göteborg Energi AB	-	-	-	197	505	-
Gothenburg Port Authority	-	82	252	-	-	-
Higab AB	-	141	411	-	596	-
Förvaltnings AB Framtiden	-	-	-	256	204	-
Göteborg & Co AB	-	15	14	384	4	-
Göteborgs Stads Kollektivtrafik AB	-	6	7	-	-	-
Business Region Göteborg AB	-	5	-	46	-	-
Göteborgs Stads Leasing AB	-	-	-	36	-	-
Boplats Göteborg AB	-	6	8	-	-	-
Municipality	205	-	-	-	-	950
Total	460	460	1,611	1,611	2,259	2,259

30. List of companies, etc. in which the City of Gothenburg has ownership interests

Company / Organisation	Company reg. no	Ownership stake (%)
GÖTEBORGS STADSHUS AB	556537-0888	100
INTERNAL COMPANIES (internal operations)		
Försäkrings AB Göta Lejon	516401-8185	100
Göteborgs Stads Leasing AB	556442-1716	100
BOPLATS GÖTEBORG AB	556467-7390	100
REGIONAL COMPANIES		
Gryaab AB	556137-2177	70.6
Göteborgsregionens Fritidshamnar AB (Grefab)	556185-4109	80
Renova AB	556108-3337	85
Renova Miljö AB	556946-0321	100
Fastighets AB Rödingen	556051-2096	100
GÖTEBORG ENERGI AB	556362-6794	100
Göteborg Energi Nät AB	556379-2729	100
Göteborg Energi GothNet AB	556406-4748	100
Netwest Sweden AB*	559028-5656	2.4
Göteborg Energi Gasnät AB	556029-2202	100
Göteborg Energi Din El AB	556572-4696	100
FÖRVALTNINGS AB FRAMTIDEN	556012-6012	100
Bostads AB Poseidon	556120-3398	100
Ellesbokomplementären AB	556432-9810	33
KB Ellesbo 2	916844-6442	33
Familjebostäder i Göteborg AB	556114-3941	100
Gärdsås Utvecklings AB	556599-9694	49
Gärdsås Torgbolag KB	969673-5233	56
Gårdstensbostäder AB	556536-0277	100
Göteborgs Stads Bostads AB	556046-8562	100
Fastighetsbolaget Bredfjäll AB	556662-9035	100
Fastighetsbolaget Bredfjäll KB	969676-6923	100
Fastighetsbolaget Gropens Gård KB	969676-6881	100
Fastighetsbolaget Friskväderstorget KB	969667-0562	100
Göteborgs Egnahems AB	556095-3829	100
Bygga Hem i Göteborg AB	556643-7934	100
Fastighets AB Sannegården 26:1	559360-7657	100
KS 3 Kv Hold AB	559456-6159	100
KS Lindholmen 2:27 AB	559456-6167	100
KS 4 Kv Hold AB	559456-6183	100
KS Lindholmen 2:28 AB	559456-6191	100
KS Lindholmen 2:29 AB	559456-6209	100
KS 2 Kv Hold AB	559456-6126	74
KS Lindholmen 2:26 AB	559456-6134	100
KS 5 Kv Hold AB	559456-6225	74
KS Lindholmen 1:40 AB	559456-6233	100
KS Lindholmen 1:42 AB	559456-6241	100
KS Lindholmen 1:46 AB	559456-7850	100

Company / Organisation	Company reg. no	Ownership stake (%)
KS 6 Kv Hold AB	559456-7926	74
KS Lindholmen 1:31 AB	559456-7934	100
KS Lindholmen 1:41 AB	559456-7942	100
KS 7 Kv Hold AB	559456-7967	74
KS Lindholmen 1:10 AB	559456-7975	100
KS Lindholmen 1:33 AB	559456-7983	100
KS Lindholmen 1:37 AB	559456-7991	100
Framtiden Byggutveckling AB	556731-5170	100
Störningsjouren i Göteborg AB	556657-1443	100
Förvaltnings AB GöteborgsLokaler	556082-4897	100
HANTVERKS- & INDUSTRIHUS I GBG AB (HIGAB)	556104-8587	100
Hotell Heden AB	556050-2501	100
Myntholmen AB	559011-5563	100
Myntholmen 2 AB	559328-3145	100
Älvstranden Utveckling AB	556659-7117	100
Södra Älvstranden Utveckling AB	556658-6805	100
Älvstranden Gullbergsvass AB	556023-2646	100
Norra Älvstranden Utveckling AB	556001-3574	100
Fastighets AB Fribordet	556248-5747	100
Norra Älvstranden Bostäder AB	556260-3281	100
GVA Fastigheter KB	916836-2888	100
GVA Fastigheter AB	556291-8390	100
Ferux Fastighet i Göteborg AB	556615-0123	100
Norra Älvstranden Service AB	556558-0619	100
Fastighets AB Navet	556609-4354	100
Eriksbergs Förvaltnings AB	556079-4306	100
Lindholmospiren Beta AB	556625-8074	100
Torphuset Fastighets AB	556690-7571	100
Menlin Fastighets AB	556602-4922	100
Fastighets AB Radny	556992-7790	100
Fastighets AB Vinstra	556992-7808	100
Fastighets AB Esterel	556992-7832	100
Fastighets AB Raila	559057-5923	100
Fripoint AB	556024-1456	100
Göteborgs Frihamns AB	556246-9519	100
S Tingsvassen 739:137 Fastighets AB	556606-2641	100
Göteborgs Stads Parkerings AB	556119-4878	100
BUSINESS REGION GÖTEBORG AB	556439-5878	100
Almi Företagspartner Väst AB*	556488-1307	12.3
Lindholmen Science Park AB	556568-6366	24
Johanneberg Science Park AB	556790-3108	50
Sahlgrenska Science Park AB	556547-7832	22.9
Göteborgs Tekniska College AB	556570-6768	49
GÖTEBORG & CO AB	556428-0369	100
Svensk Turism AB*	556452-7157	2
Got Event AB	556015-9823	100
Liseberg AB	556023-6811	99.9
Lisebergs Gäst AB	556422-0845	100
AB Liseberg Skår 40:17	556909-9731	100
Göteborgs Stadsteater AB	556016-7875	99.9

Company / Organisation	Company reg. no	Ownership stake (%)
GÖTEBORGS HAMN AB	556008-2553	100
Göteborgs Stuveri AB	556284-3614	100
Scandinavian Distripoint AB	556206-1654	100
Arendal Holding AB	556711-0365	100
Göteborgs Hamn Holding AB	559338-6799	100
Halvorsäng Holding AB	559338-6807	50
Halvorsäng Fastighets AB	559338-6781	50
Halvorsäng Fastighetsbolag Syd AB	559338-6823	100
Halvorsäng Fastighetsbolag Nord AB	559338-6815	50
Halvorsäng Fastighetsbolag Öst AB	559338-6831	100
Westwind Offshore AB*	559318-3907	5
GÖTEBORGS STADS KOLLEKTIVTRAFIK AB	559161-0190	100
Göteborgs Spårvägar AB	556353-3412	85
GS Buss AB	556771-4380	100
GS Trafikantservice AB	556771-2251	100
<u>OTHERS</u>		
Kommuninvest Cooperative Society*	716453-2074	2.1
Greater Gothenburg Rescue Services	222000-0752	64.4
Gothenburg Coordination Association	222000-3285	25
Göteborg Region Association of Local Authorities**	222000-0265	55.6
Göteborgsregionens Internationella Skola AB (ISGR)**	556527-5657	100
Gryning Vård AB**	556605-8201	54
Tolkförmedling Väst**	222000-2972	16

* Is not a municipal group company (<20 per cent), not included in the consolidated accounts.

** Is a municipal group company, but excluded from the consolidated accounts because it is not considered material (<2 per cent).

The following changes took place during the year:

- » Under Bygga Hem i Göteborg AB (556643-7934), 18 new companies were added following acquisitions in Karlstad.
- » 100 per cent of Göteborg Arendal 764:385 AB (559394-9323) was merged into Göteborgs Hamn AB (556008-2553).
- » The ownership stakes in Halvorsäng Holding AB (559338-6807), Halvorsäng Fastighets AB (559338-6781) and Halvorsäng Fastighetsbolag Nord AB (559338-6815) changed from 100 to 50 per cent in each company following the creation of a company jointly controlled by Castellum AB and Göteborgs Hamn AB (556008-2553).
- » The ownership stake in Johanneberg Science Park AB (556790-3108) changed from 38.8 to 50.0 per cent after a change in ownership composition.
- » The ownership stake in Tolkförmedling Väst (222000-2972) changed from 16.4 to 16.0 per cent as a result of new member municipalities joining.

Definitions

Degree of updating | Percentage of current and past employees updated with regard to former pensionable employment.

Non-current assets | Assets intended for continuous use in the business, such as buildings. They could also be intangible such as goodwill or financial such as shares.

Planned depreciation | The total cost of a non-current asset is recognised as an expense over the number of years the asset is expected to be used in the business.

Balanced budget requirement | The local government sector's balanced budget requirement means that municipalities and regions must prepare the budget for the next calendar year so that income exceeds costs.

Balance sheet | A summary of the assets, equity, provisions and liabilities on the balance sheet date, i.e. the last day of the reporting period.

Derivative instrument | financial instrument whose value is derived from the value of an underlying asset. Used to manage price and interest rate risks. Common derivative instruments are options, futures and swaps.

Equity | Equity is the difference between assets and liabilities and shows the proportion of assets financed by own funds (i.e. not through loans).

Elimination | A process of removing internal items so that information about income, costs, receivables and liabilities only contains items that are external to the organisation.

Issue | When new bonds or certificates are issued for sale on the financial markets.

Level of self-financing of investments | Cash flow from operations before changes in working capital and sales of property, plant and equipment in relation to net investments.

Net financial income | Difference between financial income and financial expenses in the income statement.

Average useful life | Cost of assets subject to depreciation in relation to depreciation costs for the year.

Cash flow statement | Shows inward and outward cash flows (receipts and payments made). The sum of the inward and outward cash flows is the total cash flow for the year.

The Municipal Group | The Municipality together with the municipal group companies.

Municipal group company | A legal entity for which a municipality has a lasting significant influence over the operations, goals and strategies.

Consolidation | Merging of financial reports from a parent company and at least one owned company into a combined report for the Group.

Borrowing | Total external borrowing by the Municipal Group.

Net investment | Investment expenditure less investment income.

Net borrowing | The Municipality's external borrowing minus lending to companies and the liquidity that the Municipality has invested in the market.

Current assets | Assets not intended for continuous use or holding, such as inventories, liquid assets and current receivables.

Income statement | summary of the income and expenditure accounts in the bookkeeping system, i.e. the income and expenses which produce the profit, surplus or deficit for the period.

Interest rate swap | An agreement between two parties to exchange or swap interest payments for a set period of time.

Consolidated accounts | Compilation of the income statements, balance sheets, cash flow statements and notes for the Municipality and the municipal group companies.

Equity/assets ratio | Equity in relation to total assets.

Structural net cost | Consists of net operating expenses and financial income and expenses excluding items affecting comparability.

Structural earnings | Consists of the net earnings for the year excluding items affecting comparability.

3

Economic and financial report

This section includes the operating accounts, investment accounts and a report on the foundations administered by the City. The operating and investment accounts must satisfy the City Council's requirement to report on progress and demonstrate the accountability of the boards and committees. The accounts must also satisfy the requirements of external stakeholders for information about how resources are allocated and used by the services.

Economic and Financial Report

102 Operating accounts

The operating accounts contain an account of how the outcome relates to the budget established for operating activities.

111 Investment accounts

The investment accounts contain a comprehensive report on investment activities.

121 Foundations

The City of Gothenburg manages affiliated foundations and gifts for various purposes. The management only applies to grant-making foundations, responsibility for the foundations' capital and for ensuring that the returns are allocated for purposes that are in line with the donors' instructions.

Operating accounts

The Municipality's operating accounts

The operating accounts for the Municipality are set out to allow the outcomes for the committees to be compared with the City Council's budget. The "Municipal subsidy" column shows the limits allocated to the committees by the City Council. For some committees, the City Council decided during the year to change the municipal subsidies in relation to the original budget decision. In these cases, the table shows the updated framework. Separate tables later in this section present the dates and amounts of adjustments to the committees' limits. The "Budget" column shows the result that the committees themselves had budgeted for the year. The City's regulations

give the committees the right, subject to certain conditions and limits, to accumulate and use equity. The committees thus have the option of budgeting for a surplus or a deficit. In 2024, however, the possibility for a committee to budget for a negative financial result was restricted and required approval from the City Executive Board. The budget column also shows the result budgeted by the City Council for the central municipal items and for the City as a whole. The most important internal accounting and financial control principles for the operating accounts are presented in the section on 'Notes including accounting policies'.

Amounts in MSEK	Revenue	Costs	Municipal subsidy	Net earnings for the year	Budget	Income, previous year	Costs, previous year
COMMITTEES WITH A SPECIAL FOCUS AREA							
Land Development Committee	1,041	-1,101	134	74	0	1,120	-1,331
Pre-school Committee	580	-5,466	5,059	173	0	587	-5,412
Compulsory School Committee	1,256	-11,146	10,047	156	0	1,155	-10,571
Sports and Associations Committee	331	-919	584	-3	0	169	-813
Purchasing and Procurement Committee	130	-134	6	2	0	141	-138
Municipal Management	176	-543	395	29	0	202	-574
Cultural Affairs Committee	150	-875	731	7	0	151	-830
Environmental and Climate Committee	91	-214	129	6	0	92	-201
Labour Market and Adult Education Committee	333	-1,120	816	29	0	291	-1,037
Committee for Democracy and Citizen Services	116	-233	126	8	0	113	-209
Committee for Disability Support	546	-6,001	5,565	110	0	538	-5,786
Committee for Intraservice	1,342	-1,374	36	4	0	1,287	-1,320
Social Care Committee Centrum	163	-1,478	1,350	35	0	168	-1,421
Social Care Committee Hisingen	111	-1,394	1,289	5	0	122	-1,327
Social Care Committee Nordost	245	-2,065	1,805	-16	0	220	-1,897
Social Care Committee Sydväst	580	-1,399	841	22	0	563	-1,351
City Planning Committee	232	-490	266	8	0	218	-472
City Property Committee	4,304	-4,323	0	-20	0	3,880	-3,850

Amounts in MSEK	Revenue	Costs	Municipal subsidy	Net earnings for the year	Budget	Income, previous year	Costs, previous year
Urban Environment Committee	2,440	-3,811	1,489	117	0	1,661	-3,538
Education Committee	1,147	-3,770	2,668	45	0	1,066	-3,527
Electoral Committee	17	-39	28	5	0		-10
Committee for the Elderly, Nursing and Care	1,485	-7,979	6,674	179	0	1,466	-7,709
DEPARTMENTAL COMMITTEES WITH ACTIVITIES FINANCED BY TARIFFS							
Eco-cycle and Water Committee	2,296	-2,404	0	-108	-57	1,933	-2,017
Change in liability/receivable to subscriber Eco-cycle and Water Committee	108	0	0	108	57	84	-
Financial framework for specific budget items							
Archives Committee	40	-63	25	2	0	39	-62
Auditors' Office	6	-45	42	3	-1	5	-44
Social Care Committee Centrum: Adult education associations	0	-29	29	0	0	0	-29
City Planning Committee: Transfers	0	-68	68	0	0	0	-66
Chief Guardians' Committee: Fees	1	-21	36	15	0	3	-35
Total for committees	19,267	-58,506	40,236	996	-1	17,273	-55,579
Central municipal items	43,555	-4,139	-40,236	-820	-1,320	41,847	-3,713
Earnings before items affecting comparability	62,822	-62,646	0	176	-1,321	59,120	-59,292
Dividend	950	-200	0	750	750	315	
Capital gains*	808	0	0	808	700	454	
Developer contributions**	265	0	0	265	0	473	
Co-financing of public infrastructure, Gothenburg-Borås	0	-1,100	0	-1,100	0	0	0
Earnings, Municipality	64,845	-63,946	0	899	129	60,362	-59,292
<i>Adjustment for items that are not attributable to operating expenses and income according to the income statement</i>	<i>-43,814</i>	<i>2,335</i>	<i>-</i>	<i>-41,479</i>	<i>-41,678</i>	<i>-41,085</i>	<i>1,724</i>
<i>Adjustment for internal items</i>	<i>-8,839</i>	<i>8,839</i>	<i>-</i>	<i>0</i>	<i>0</i>	<i>-7,640</i>	<i>7,640</i>
Operating income and expenses according to the income statement	12,192	-52,772	-	-40,580	-41,549	11,637	-49,928
<i>Tax revenue</i>	<i>36,086</i>	<i>-</i>	<i>-</i>	<i>36,086</i>	<i>36,365</i>	<i>34,996</i>	<i>-</i>
<i>General state subsidies and equalisation</i>	<i>5,166</i>	<i>-</i>	<i>-</i>	<i>5,166</i>	<i>4,793</i>	<i>4,528</i>	<i>-</i>
<i>Financial items</i>	<i>2,563</i>	<i>-2,335</i>	<i>-</i>	<i>228</i>	<i>520</i>	<i>1,561</i>	<i>-1,724</i>
Net earnings for the year	56,006	55,107	-	899	129	52,722	-51,652

* Capital gains include a capital loss of SEK 18 million. Excluding capital losses, capital gains thus amount to SEK 826 million for the year. ** Developer contributions have been adjusted by SEK 12 million for internal items that incorrectly reduce the subsidy. Including internal items, the total is SEK 253 million.

The committees

Overall, the committees reported a surplus for the year and a deviation from the budget of around SEK 1,000 million, which is about SEK 1,200 million better than last year. Several of the committees took steps at the turn of the year to reverse the financially challenging situation. In both education and care services, staffing levels have been adapted to fewer children and reduced needs. At the same time, some committees received budget increases and supplementary budgets during the year, which contributed to their positive results. Some committees also received increased state subsidies, which contributed to the surpluses.

Below is a brief description of the committees that reported a negative deviation, and of those that reported a larger positive deviation compared to the budgeted result.

The Land Development Committee's full-year net earnings totalled SEK 74 million. The surplus arose mainly from a decision by the City Executive Board that Älvstranden Södra Utveckling AB should settle a disputed claim of SEK 73 million relating to Skeppsbron. The committee also had large one-off income in the form of retroactive compensation for mass withdrawals for the West Link (Västlänken) project. However, the results were also affected by wasted costs of SEK 33 million from the cancellation of the Haga bike parking project, which were offset by the big one-off income.

The Pre-school Committee reported a surplus of SEK 173 million. The surplus was due to the fact that the committee carried out extensive adaptation and efficiency work in the spring in response to a reduction in the number of children using its services and high cost levels in 2023. The committee was also allocated SEK 100 million in the supplementary budget in 2024, which was to be used to increase the staff at the pre-schools in the autumn. The recruitment of both temporary and other staff has been slow, which has helped minimise the need to use the additional budget.

The Compulsory School Committee's full-year result amounted to SEK 156 million. The committee was allocated an additional budget of SEK 100 million in 2024, which is part of the surplus as many schools were unable to utilise the extra budget. Vacant posts, assignments that did not have a full-year effect and lower rental and leasing costs also contributed to the surplus. The high cost levels in 2023 and measures to address these characterised the service in the first half of 2024. During the autumn, however, some school

districts gradually increased their staffing levels, but as the number of pupils has gone on falling, many school districts have continued to be restrictive in their staffing. The surplus achieved by the committee reverses the previous year's deficit of SEK 4 million.

The Sports and Associations Committee reported a deficit of SEK 3 million. The main reason for the deficit is that the committee scrapped a hybrid pitch, a football pitch for both artificial and natural grass, at Kviberg during the year, which had a negative impact of SEK 11 million on the result. The committee also incurred increased costs for property-related expenses and electricity.

The Municipality reported a total surplus of almost SEK 29 million, of which the City of Gothenburg Executive Office accounted for almost SEK 20 million, while political activities accounted for around SEK 9 million. The positive deviation is mainly due to staff vacancies during the year.

The Labour Market and Adult Education Committee's full-year result amounted to SEK 29 million. The surplus was mainly due to lower costs in administration-wide activities related to the new business system, consultants, rental of premises, leasing and staff. In the adult education sector, lower costs for labour market measures and transitional initiatives, as well as higher state subsidies, contributed to the committee's surplus.

The Committee for Disability Support showed a surplus of SEK 110 million. The year 2024 was characterised by clearer financial management and the implementation of agreed measures, mainly involving staffing adjustments. The focus has been on a balanced budget for ongoing operations, which the committee has achieved for 2024. The surplus consisted mainly of the committee's budgeted reserve that did not need to be utilised and lower utilisation of expansion funds.

Social Care Committee Centrum's full-year result amounted to SEK 35 million. The surplus arose from the development work that has taken place in the authority process for adults and children and young people, which has resulted in lower costs for the services. The committee has also invested in and expanded outpatient services for children and young people. There was a negative deviation in income support for new arrivals due to an increase in the number of Ukrainians accepted in.

Social Care Committee Nordost reported a deficit of SEK 16 million, SEK 10 million of which is covered by a grant of equity. The deficit was

mainly due to increased caseloads and costs in purchased care for adults and young adults in relation to people involved in crime and domestic violence. The costs of income support also deviate from the committee's allocated budget, as the number of cases has stopped decreasing and instead increased slightly. The main factors offsetting the committee's negative deviation are increased earnings and lower staff costs due to vacancies.

Social Care Committee Sydväst reported a positive difference of SEK 22 million. The surplus in the urban area amounted to SEK 28 million and was mainly due to unused committee reserves, vacancies and lower costs for internal services and premises. Within City-wide assignments, a deficit of SEK 6 million was reported, partly due to ongoing conversion/evacuation at Bergsjöhöjd. A deficit of SEK 13 million was reported for temporary accommodation, which was covered by funds drawn on centrally by the Municipality in accordance with a decision by the City Council. The surplus achieved by the committee reverses last year's deficit of SEK 0.1 million.

The City Property Committee reported a deficit against the budget of SEK 20 million. The main reason for the deficit is that it was realised late in the year that some feasibility study costs had been incorrectly recorded as investment expenditure. When this error was corrected, more than SEK 20 million in accrued investment costs were instead charged to the committee's net operating costs

and there was a negative deviation from both the budget and the forecasts submitted.

The Urban Environment Committee's full-year result totalled SEK 117 million. The outcome is significantly better than the forecasts provided by the committee during the year. The main reasons for the surplus are increased income from public authorities, lower energy costs and high staff turnover resulting in slower progress in development projects. The committee also had a reserve to handle financial risks and uncertainties which did not need to be utilised but could be released at the end of the year.

The Education Committee's full-year result amounted to SEK 45 million. The positive deviation was mainly due to fewer upper secondary school pupils to be provided for and higher state subsidies than budgeted. Lower costs for premises, meals and apprenticeships also contributed to the surplus.

The Committee for the Elderly, Nursing and Care reported a surplus of SEK 179 million. The surplus is mainly due to lower costs for nursing homes, short-term accommodation, paid days in hospital and agency nurses. However, the costs of in-house home care services remain higher than budgeted, although they have continued to fall compared to last year, though still reducing the committee's surplus. It has also invested in preventive work by opening reception centres in all districts to improve accessibility and provide early support.



The Eco-cycle and Water Committee reported a total deficit of SEK 108 million for the full year, which meant a negative deviation of SEK 51 million from the approved budget. The Water and Sewerage service reported a deficit for the full year of SEK 56 million, which was SEK 30 million less than the approved budget. The deficit in the water and sewerage sector consisted mainly of two elements: an unbudgeted increase in the pension liability, and increased interest costs due to underestimates in the budget for the rate of investment and interest rates.

The Waste service reported a deficit for the full year of SEK 51 million, which meant a negative deviation from the budget of SEK 21 million. The negative deviation in the Waste service is mainly explained by increased costs for packaging collection, and especially the operation of recycling centres. The deficit in the Eco-cycle and Water Committee's tax-financed activities is recognised as a receivable from taxpayers and does not affect the City's overall result.

The Chief Guardians' Committee reported a full-year result of almost SEK 15 million. The favourable result was mainly due to lower than budgeted fees for deputies. Unlike in previous years, the principals themselves now bear more of the costs of their deputies.

Central municipal items

The central municipal items consist mainly of revenue from taxes, general state subsidies and

equalisation, and costs for the municipal subsidy distributed to the City's committees. Pension costs and income and expenditure related to the City's management of financial items at the municipal level are also recognised.

Overall, central municipal items showed a deficit of SEK 820 million, a positive deviation from the budget of around SEK 500 million. The main reasons for the positive deviation were the Group Bank's deposit and lending rates, under-utilisation of the general reserve fund held by the Municipality to deal with economic uncertainties, and the better-than-expected development of revenues from taxes, general government subsidies and equalisation.

Items affecting comparability

A number of items affecting comparability are recognised outside the structural earnings. These are made up of capital gains, dividends, developer contributions and co-financing costs for state infrastructure. Capital gains amounted to around SEK 800 million, almost SEK 100 million more than in the budget. Developer contributions totalled SEK 265 million. Because of the high level of uncertainty associated with the developer contributions, these were not included in the budget and so represent a complete deviation from the budget. All of the co-financing commitment for the state-run Gothenburg-Borås rail link, which amounted to SEK 1.1 billion in costs represents a deviation from the budget.



Municipal subsidies and supplementary budget for committees

Committees, amounts in MSEK	City Council budget 2024	City Executive Board 20 March	City Council 21 March	City Executive Board 10 June	City Council 19 June	City Council 21 Nov.	Total municipal subsidy 2024
Archives Committee	24.6						24.6
Land Development Committee	128.6	3.6			1.5		133.7
Pre-school Committee	4,941.7		100.0	13.3	4.0		5,058.9
Compulsory School Committee	9,930.4	-0.5	100.0	13.5	3.3		10,046.7
Sports and Associations Committee	584.2						584.2
Purchasing and Procurement Committee	6.1						6.1
Municipal Management	394.5			0.9			395.4
Cultural Affairs Committee	731.2						731.2
Environmental and Climate Committee	128.1		1.0				129.1
Labour Market and Adult Education Committee	807.5				8.0		815.5
Committee for Democracy and Citizen Services	124.9		1.0				125.9
Committee for Disability Support	5,539.4		1.1	9.2	9.0	6.0	5,564.6
Committee for Intraservice	28.9		7.5	-0.9			35.5
Auditors' Office	42.3						42.3
Social Care Committee Centrum	1,348.1	1.2		-0.8	2.0		1,350.5
Social Care Committee Hisingen	1,288.9	-0.4		-1.4	2.0		1,289.1
Social Care Committee Nordost	1,805.4	-0.6		-2.0	2.0		1,804.9
Social Care Committee Sydväst	839.5	-0.2		-0.5	2.0		840.8
Social Care Committee Centrum: Adult education associations	29.2						29.2
City Planning Committee	262.7	0.5		1.5	1.5		266.2
City Planning Committee: Transfers	68.0						68.0
Urban Environment Committee	1,491.6	1.4		-10.0	5.5		1,488.5
Education Committee	2,668.1						2,668.1
Electoral Committee	27.6						27.6
Committee for the Elderly, Nursing and Care	6,623.7		42.0	11.2	3.0	-6.0	6,673.9
Chief Guardians' Committee: Fees	35.6						35.6
Total	39,900.6	5.0	252.6	34.0	43.8	0.0	40,236.0

Operating accounts of the joint statutory authorities

Amounts in MSEK	Revenue	Costs	Municipal subsidy	Net earnings for the year	Budget	Outcome, previous year	Closing equity
Greater Gothenburg Rescue Services	554	-556	-	-2	-7	-6	66
Gothenburg Coordination Association	17	-16	-	1	-	-1	3
Total	571	-572	-	-1	-	-7	69

The values correspond with the City's ownership stakes.

For Greater Gothenburg Rescue Services, the result for the year was a deficit of SEK 3.4 million, which is SEK 7.5 million better than the budgeted deficit of SEK 10.9 million. Of this, SEK 2.5 million has been granted since the previous year's budget decision, with the aim of using the equity to finance ongoing projects in safety and resilience and training and practice facilities. Membership fees include pension costs, and in 2024 an adjustment to the pension liability under the new pension

agreement (SAP-R) was implemented.

This reduced the liability and the new calculation meant that SEK 135.9 million of the 2024 forecast pension costs could be repaid to the member municipalities. There is some disagreement over who is covered by the new pension agreement. The Ledarna union has therefore lodged a complaints against Greater Gothenburg Rescue Services and Sobona, and the matter will be decided by the Labour Court.

Companies – financial performance

Amounts in MSEK	Operating income	Earnings after financial items	Budget	Net earnings for the year	Total assets	Equity/assets ratio (%)
Energy	7,729	616	608	646	17,743	41
Housing	7,423	582	429	660	43,190	30
Commercial Premises	2,928	707	184	228	11,570	25
Business	232	-53	-51	-7	181	39
Public Transport	1,382	15	9	7	753	55
Port	1,085	514	231	244	5,328	51
Tourism, Culture & Events	2,096	-862	-443	-495	5,205	31
Försäkrings AB Göta Lejon	227	30	0	27	550	48
Göteborgs Stads Leasing AB	971	42	19	70	3,210	34
Gryaab AB	299	-16	-13	-14	942	9
Renova AB	1,505	-6	35	-9	2,485	25
Grefab AB	59	-1	0	-1	97	17
Parent company (Göteborgs Stadshus AB)	24	326	321	562	22,248	76
Boplat	51	10	-1	2	76	54
Eliminations	-1,687	-380	-397	-811	-23,778	-
Total	24,324	1,521	932	1,108	89,800	28

The table shows amounts corresponding to the stake the City owns in each company (unlike the annual accounts of the Stadshus Group, which are prepared based on K3 regulations). This table shows earnings after financial items, but before tax and appropriations.

The Stadshus Group posted net earnings after appropriations and tax of SEK 1,108 million in 2024, which is SEK 176 million higher than the budget and SEK 1,201 million more than the previous year.

The results presented below refer to net earnings after financial items.

The outcome for 2024 includes a number of large items affecting comparability which contribute to the higher net earnings. These include the reversal of write-downs of SEK 139 million in the Housing cluster (the Framtiden Group). Capital gains and losses from the sale of non-current assets within the Stadshus Group amount to SEK 1,127 million and SEK -356 million respectively. These items mostly relate to intra-municipal transactions. A cost affecting comparability associated with the fire at Liseberg AB's Oceana water park is also included in the outcome, amounting to SEK 484 million.

The Energy cluster (Göteborg Energi Group) reported a profit of SEK 616 million, excluding IAS pension adjustment, which was SEK 244 million higher than the previous year. Adjusted for items affecting comparability, the result is in line with the budget. As in 2023, the electricity operations (networks and electricity trading) together account for the dominant share of the energy group's overall results. The Electricity Grid business area reported a surplus of SEK 13 million over the budget, while the Electricity Trading business area reported net earnings SEK 73 million better than the budget. The reasons for this include increased consumption, a change in the product range and higher price mark-ups.

The District Heating service, which previously dominated the Energy Group's results, reported net earnings of SEK 167 million and improved their result compared with the previous year. The outcome was SEK 98 million lower than budget due to a cold start to the year with high production costs.

The Housing cluster (Framtiden Group) reported earnings of SEK 582 million, SEK 692 million more than the previous year. The Framtiden Group's net earnings adjusted for items affecting comparability were SEK 30 million higher than budgeted. Earnings from property were SEK 42 million lower than budgeted. Income was SEK 107 million over budget, while operating and administrative costs produced a deficit of SEK 154 million.

Within the Framtiden Group, Bostads AB Poseidon reported a negative result of SEK 46 million compared with the budget. The deviation was mainly explained by higher operating and maintenance costs. Familjebostäder i Göteborg AB reported net earnings SEK 40 million up on the budget, which was mainly down to higher rental income. Göteborgs Bostadsaktiebolag AB reported net earnings SEK 7 million above the budget. Göteborgs Egnahems AB reported a deficit of SEK 72 million for 2024, which was SEK 20 million lower than the budgeted result. The lower result was mainly due to a SEK 14 million write-down of a project and the fact that fewer homes than budgeted were recognised as income. The other subsidiaries in the Group reported minor deviations from budget.

At the end of the year, the Group's properties had a total market value of SEK 128.8 billion, compared with SEK 117.7 billion the previous year. The total market value exceeds the book value of properties and renovation grants by SEK 87.2 billion, compared with SEK 78.5 billion in the previous year.

The Premises cluster (Higab Group) reported a surplus of SEK 707 million, which was SEK 921 million better than the previous year. Adjusted for items affecting comparability, the result was approximately SEK 199 million better than budget. All three companies in the cluster contributed improved outcomes compared with the budget, with Higab AB contributing SEK 59 million, Göteborgs Stads Parkering AB SEK 26 million and Älvstranden Utveckling AB SEK 114 million. Lower costs for planned maintenance and repairs and higher than budgeted interest income contributed to the positive outcome.

At the end of the year, the Group's investment properties had a total market value of SEK 22.9 billion, compared with SEK 23.2 billion the previous year. This value exceeds the total book value of investment property by SEK 14.8 billion, compared to SEK 14.5 billion in the previous year.

The Port cluster (Göteborgs Hamn Group) reported a surplus of SEK 514 million, which was SEK 245 million higher than the previous year. Adjusted for items affecting comparability, the result was SEK 62 million better than the budget of SEK 231 million. This is explained by the increase in volume in the Energy Port and price adjustments to rents, leases and concession fees. The customer agreement signed to establish logistics operations in the Halvorsång area triggers a capi-

tal gain affecting comparability of SEK 176 million along with other positive financial transactions in Göteborgs Hamn AB's subsidiary Scandinavian Distripoint, as a property has been transferred to the development company that is jointly owned with Castellum AB. The transactions do not affect the cash flow.

At the end of the year, the Group's investment properties had a total market value of SEK 775 million, compared with SEK 748 million the previous year. This value exceeds the total book value of investment properties by SEK 675 million, compared with SEK 654 million in the previous year.

The Tourism, Culture and Events cluster (Gothenburg & Co Group) reported a deficit of SEK 862 million, which was SEK 461 million lower than the previous year. Adjusted for items affecting comparability, the result is a deficit of SEK 376 million, which is SEK 67 million above budget. Within the cluster, Liseberg AB reported a net earnings adjusted for items affecting comparability SEK 39 million better than the budget, mainly linked to a positive outcome for Liseberg at Halloween and Christmas with more guests than forecast. Got Event AB contributed a surplus of SEK 30 million compared with the budget, partly due to increased income linked to events and associated sales, and partly to additional events. However, Göteborgs Stadsteater AB pulled the net earnings down by SEK 6 million, mainly due to increased costs compared with the budget.

The Industry cluster (Business Region Göteborg Group) reported a deficit after financial items of SEK 55 million, which was SEK 7 million better than the previous year. As in previous years, the outcome for the year is affected by planned negative effects on earnings linked to the minority-owned companies in the Group.

The Public Transport cluster (Göteborgs Stads Kollektivtrafikk Group) reported a surplus after financial items of SEK 15 million, which was the same as the previous year and SEK 6 million better than the budget, excluding items affecting comparability.

The internal companies reported positive results. Försäkrings AB Göta Lejon reported a surplus of SEK 30 million, which was SEK 13 million less than the previous year but SEK 30 million better than the budget. The positive deviation was largely explained by lower insurance claims than forecast.

Göteborgs Stads Leasing AB reported a surplus of SEK 42 million, which was SEK 4 million

less than the previous year. Higher revenues contributed to the positive deviation of SEK 23 million from the budget.

Among the regional companies, Gryaab AB reported a deficit after financial items totalling SEK 23 million, which was SEK 1 million higher than the budget. The negative result for the year, which is in line with the approved budget, is mainly down to a weaker revenue side and lower biogas revenues, partially offset by lower repair and maintenance costs.

The Renova Group reported a deficit after financial items of SEK 7 million, which was SEK 8 million less than the previous year. The result deviated was a full SEK 48 million better than the budgeted deficit. Lower waste volumes and energy revenues, together with slightly higher operating and maintenance costs and lower capital costs, explained the deviation. The result includes a major supplier loss of SEK 12 million.

Grefab reported a deficit after financial items of SEK 2 million, which was at the same level as the previous year but below budget by the same amount.

Boplats reported a surplus after financial items of SEK 10 million, which was SEK 2 million higher than the previous year and SEK 10 million better than budget. The positive result was due to higher income, partly because the number of paying applicants for housing was higher than forecast, and partly because of a correction to accruals of income from previous years. However, costs were higher than budgeted because of the development of a new business system.

Comparison with the previous year

The consolidated results for both 2023 and 2024 were affected by large items affecting comparability. Adjusted for items affecting comparability, net earnings were SEK 626 million better than in 2023. This was mainly due to increases of around SEK 200 million in the Framtiden Group, SEK 240 million in the Energi group, SEK 100 million in Commercial Premises, and a total of around SEK 60 million in Port Operations and Tourism, Culture and Events.

Investment accounts

The Municipality's investment accounts

The investment accounts must meet the City Council's requirements to monitor progress and allow easy comparison with the City Council's budget and other investment-related City Council decisions.

In the 2024 budget, the City Council established investment frameworks for each committee. For the Eco-cycle and Water Committee, however, the City Council set a framework for water and sewerage services, a framework for waste management services and frameworks for the Stormwater and Technical Water investment areas. The City Council's budget decisions relate to net investment limits per committee for the period 2021-2025. The budget presented for 2024 refers to the budgets approved by the committees themselves.

The City Council decided to adjust the investment budget on two occasions during the year.

In June, the investment framework for technical water was increased by SEK 150 million to a total of SEK 550 million for the 2021-2025 planning period. In October, the investment framework for the Land Development Committee was increased by SEK 850 million for the 2021-2025 planning period, to cover the acquisition of Gullbergsvass.

The investment accounts present the adjustments summarised in the cash flow statement items for 'Investment in property, plant and equipment'.

Amounts in MSEK	Outcome 2024	Budget 2024	Deviation	Budget 2021-2025
Land Development Committee				
Income	289	378	-89	1,152
Expenses	-1,543	-1,830	287	-4,363
<i>of which: new investment</i>	-1,541	-1,826	285	-4,350
<i>of which: reinvestment</i>	-2	-4	2	-13
Net investments	-1,254	-1,451	198	-3,211
Sports and Associations Committee				
Income	2	0	2	0
Expenses	-224	-494	270	-2,505
<i>of which: new investment</i>	-109	-446	337	-1,596
<i>of which: reinvestment</i>	-115	-48	-67	-909
Net investments	-222	-494	272	-2,505
Eco-cycle and Water Committee				
Water and sewerage				
Income	192*	0	192	0
Expenses	-1,148	-1,239	91	-5,003
<i>of which: new investment</i>	-751	-924	173	-3,730
<i>of which: reinvestment</i>	-397	-315	-82	-1,273
Net investments	-956	-1,239	283	-5,003
Waste				
Income	0	0	0	0
Expenses	-25	-46	21	-133
<i>of which: new investment</i>	-24	-44	20	-129
<i>of which: reinvestment</i>	-1	-2	1	-4
Net investments	-25	-46	21	-133

Amounts in MSEK	Outcome 2024	Budget 2024	Deviation	Budget 2021-2025
Stormwater				
Expenses	-2	-20	18	-75
<i>of which: new investment</i>	-2	-20	18	-75
Net investments	-2	-20	18	-75
Technical water				
Expenses	-267	-300	33	-550
<i>of which: new investment</i>	-267	-300	33	-550
Net investments	-267	-300	33	-550
Net investment, Eco-cycle and Water Committee	-1,251	-1,605	354	-5,761
City Property Committee				
Income	5	0	5	11
Expenses	-2,250	-2,964	714	-12,715
<i>of which: new investment</i>	-1,188	-1,860	672	-8,176
<i>of which: reinvestment</i>	-1,062	-1,104	42	-4,539
Net investments	-2,245	-2,964	719	-12,704
Urban Environment Committee				
Income	109	130	-21	869
Expenses	-973	-1,100	127	-5,985
<i>of which: new investment</i>	-385	-450	65	-3,315
<i>of which: reinvestment</i>	-588	-650	62	-2,670
Net investments	-864	-970	106	-5,116
Total investments, committees				
Income	597	508	89	2,032
Expenses	-6,432	-7,993	1,561	-31,329
<i>of which: new investment</i>	-4,267	-5,870	1,603	-21,921
<i>of which: reinvestment</i>	-2,165	-2,123	-42	-9,408
Net investments	-5,835	-7,484	1,650	-29,297
Central municipal level				
Leasing	-680	-	-680	-
Crisis preparedness				-250
Total net investment, Municipality	-6,515	-7,484	970	-29,547
Development				
Development income	1,051	2,785	-1,734	10,672
Development expenses	-1,271	-2,210	939	-7,392
<i>of which: land development</i>	-287	-810	523	-2,579
<i>of which development-financed public space</i>	-830	-1,225	395	-4,122
<i>of which tax-financed public space</i>	-154	-175	21	-691
<i>of which unallocated work in progress</i>				
Net earnings from development	-220	575	-795	3,280
Water and sewerage connection charges	0	0	0	0
Expansion of water and sewerage	-198	-220	22	-538
Net expansion, water and sewerage	-198	-220	22	-538
Total Municipality including Development				
Income	1,648	3,293	-1,645	12,704
Expenses	-8,581	-10,423	1,842	-39,509
Net investments	-6,934	-7,130	196	-26,805
Adjustment, property, plant and equipment				
<i>plus gifts</i>	-3			
<i>less change in current assets</i>	174			
<i>less change in liability</i>	-591			
<i>less income recognised in the income statement</i>	-876			
Investment property, plant and equipment	-8,230			

* The investment income reported for the Eco-cycle and Water Committee includes approximately SEK 108 million relating to connection charges attributable to the committee's development investments.



Investment monitoring

The committees' investment expenditure totalled SEK 6.4 billion in 2024. State investment subsidies and other investment income totalled SEK 0.6 billion, for a net investment in the committees of SEK 5.8 billion. The committees' total net investments were around SEK 1.7 billion below the budget for the year. All committees reported investment outcomes below the budgeted level. Overall, the deviations are mainly due to delays in planning and implementation, with an increasing share of the volumes related to larger and more complex projects.

While the outcome was below budget, it represented a significant increase compared to previous years. Compared to 2023, net investments for the year increased by SEK 1.2 billion. The long-term trend of growing investment volumes is therefore continuing. This development is a consequence both of ongoing urban development and of the need to upgrade existing facilities with a growing population. A brief breakdown of investments by committee is given below.

The Land Development Committee reported a net investment volume of SEK 1,254 million. The outcome deviated by SEK 200 million from the budgeted net framework of SEK 1,451 million. The committee's investment framework was increased during the year by SEK 850 million to enable the acquisition of the Gullbergsvass property from Älvstranden Utveckling AB. The main reasons

for the deviation from the budget were that the budget for land acquisition was not fully utilised and that the Skeppsbro project was cancelled.

The Sports and Associations Committee's net investment amounted to SEK 222 million, which was about SEK 270 million below the budgeted volume. The deviation is mainly explained by delays in the timing of several major investments in sports halls, ice rinks and swimming pools.

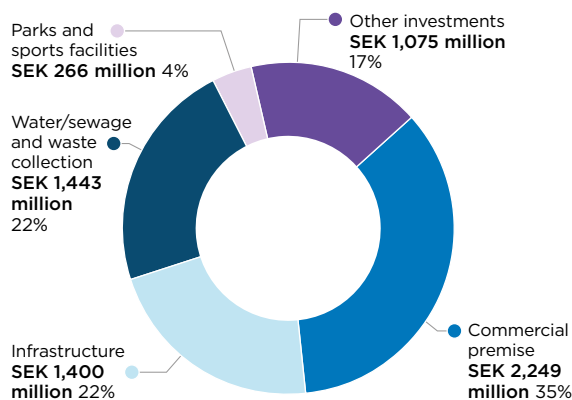
The Eco-cycle and Water Committee's investment expenditure in water and sewerage services totalled SEK 1,148 million, an increase of SEK 220 million on the previous year. In recent years, the committee has increased its capacity to implement planned investments. Despite an increased rate of investment, the outcome was SEK 91 million below the budgeted level. The budget deviation is mainly due to postponements of projects in the area of wastewater disposal. The committee's investments in waste management totalled SEK 25 million, which is SEK 21 million below budget. The deviation is mainly due to postponed investments. Investments in stormwater management totalled SEK 2 million, which was SEK 18 million below budget. A number of studies are ongoing and the committee expects a gradual increase in its capacity to implement stormwater projects. In Technical Water, investments totalled SEK 267 million in 2024, compared with budgeted investments of SEK 300 million. The deviation of SEK 33 million is mainly due to the deferral of expenditure to 2025.

The City Property Committee, which owns and manages the City's commercial premises, reported a net investment volume of SEK 2,245 million. This outcome is approximately SEK 720 million lower than the approved budget for the year. The net outcome for the committee's reinvestments totalled SEK 1,062 million, which was broadly in line with the budget. A higher outcome for the committee's reinvestments can be seen since 2022. The outcome for the committee's new investments totalled SEK 1,188 million, which was SEK 672 million lower than the approved budget. The progress of the projects has generally been affected by slippage in the schedules due to various types of appeal and efforts to reduce their production costs.

The Urban Environment Committee's net investments totalled SEK 864 million. The outcome is SEK 106 million lower than the approved budget for the year. The deviation is mainly due to time delays to several projects. As most of the projects are in the centre of the city, they require extensive coordination with other measures in the vicinity, and have to keep other traffic flowing during construction. There are also issues related to land access. Progress in both new investment and reinvestment has also been affected by long processing times for the necessary official decisions.

The chart below shows how the investment outcome is distributed across the different investment areas. Commercial premises are the largest type of investment, accounting for around 35 per cent of the total investment outcome. The highest level of investment was in compulsory schools. Other major investment areas are infrastructure, water and sanitation, and cleaning. Other investments, which account for 17 per cent of the total investment volume, consist mainly of strategic land acquisitions.

Investment expenditure



Development monitoring

The Land Development Committee reported negative net development income for the year of SEK 0.2 billion, which is around SEK 0.8 billion lower than the budget for 2024 and around SEK 0.2 billion lower than for 2023. The deviation is due to the economic situation and the demand for both land and housing, which has led to postponements in land sales and delays to projects. Delays affect both income and expenditure over time. However, the fall in expenditure is less pronounced when expansion projects already under way are realised as planned while but the revenues from these projects have often already been realised. Major land sales that were not realised as budgeted include the Ringön tram depot and sales on Säterigatan. The deviation is also explained by the financial consequences of the internal agreement between the Land Development Committee and Älvstranden Utveckling regarding financial liability for price/index changes during the development project on Masthuggskajen. The settlement involved shared financial liability and repayment of developer contributions to the company.

The final earnings figure is around SEK 1.1 billion, or only 40 per cent of the budgeted volumes, while the total expenditure is about SEK 1.3 billion, with around 60 per cent utilised. The development of income and expenditure in individual projects in relation to their budgeted expectations is not apparent from the committee's follow-up, as the overall effects reported are primarily explained by shifts in sales and postponed projects.

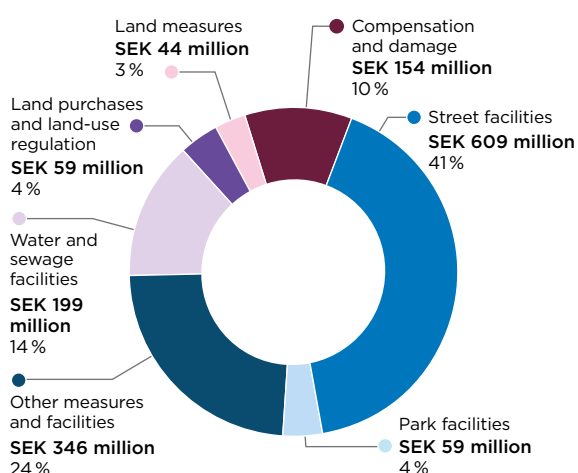
The positive results from previous years and the willingness to pay for good building land are helping to maintain the long-term level of self-financing. However, declining population growth, lower land prices and continued cost inflation pose significant challenges to the self-financing target in the longer term. This brings an additional need to align the whole portfolio with the objectives of good financial management throughout the urban development process, from the early planning stages to the ambitions in the implementation stage.

The chart shows the distribution of total development expenditure in 2024. As in previous years, a significant part of the development activities related to the construction of transport infrastructure and land-related measures to acquire, regulate and prepare saleable land. The item 'Other measures and facilities' mainly relates

to the substructure of the peninsula at Masthuggskajen for the parts to be developed as public spaces, and so also represents land preparation costs. During the year, expenditure on co-financing for state facilities increased as a result of the growing number of development projects requiring this type of measure. These expenses are included in 'Compensation and damages'. However, the co-financing expenditure is broadly matched by corresponding contributions from the developers, but the share of co-financing directly from the City has also increased in recent years.

The development-related expenditure for local water and sewerage upgrades increased over the year compared to the previous year and is now in line with what was budgeted.

Development expenses



The companies' investment accounts

Amounts in MSEK	Outcome 2024	Budget 2024	Deviation
Energy	-2,782	-2,790	8
Housing	-3,317	-3,581	264
Commercial Premises	-1,087	-1,170	83
Business	0	0	0
Public Transport	-32	-60	28
Port	-695	-1,213	518
Tourism, Culture & Events	-518	-562	44
Försäkrings AB Göta Lejon	0	0	0
Göteborgs Stads Leasing AB	-941	-694	-247
Gryaab AB	-57	-112	55
Renova AB	-236	-302	66
Grefab AB	-22	0	-22
Parent company (Göteborgs Stadshus AB)	0	0	0
Boplats	0	0	0
Eliminations	0	0	0
Total	-9,687	-10,484	797

The table shows amounts corresponding to the stake the City owns in each company (unlike the annual accounts of the Stadshus Group, which are prepared based on K3 regulations).

The Stadshus Group's investments for the year totalled SEK 9,687 million, which is SEK 1,628 million higher than in the same period last year, but SEK 797 million lower than the budget for the year.

Within the Energy cluster (Göteborg Energi Group), investments are mainly in district heating (around 60 per cent of the company's investments) but also in electricity networks, urban fibre and district cooling. During the year, investments totalled SEK 2,782 million, which is more than SEK 1 billion higher than in the corresponding period last year and in line with the budget. With regard to district heating, new investments in the biomass cogeneration plant in Rya and the construction of the pellet boiler in Riskulla account for most of the investment volume. These facilities are expected to be completed in 2027. During the year, the company continued to replace electricity meters and continued with the development of a new district heating pipe linking the Gothenburg and Mölndal district heating networks. Investments were also made in the electricity grid in preparation for new activities on Hisingen.

The Port cluster (Göteborgs Hamn Group) reports investments in property, plant and equipment totalling SEK 695 million during the year,

which is just over SEK 500 million lower than the budget, but higher than the previous year. Most of the investment volume relates to the Ferry Terminal project, i.e. the future ferry location in Arendal, with spaces and quays and a new terminal building. The Skandiaporten project (deepening the fairway) has now entered the implementation phase after all approvals have been obtained, including an environmental ruling and clarification on the question of state aid at the EU level. The negative budget deviation is mainly due to the time lag in these two projects.

During the period, the Commercial Premises cluster (Higab Group) made investments totalling SEK 1,087 million, which is just over SEK 83 million lower than budget, and around SEK 199 million less than the previous year. The negative budget deviation is explained partly by delays in various projects and partly by internal resource shortages.

Higab AB has made investments in commercial premises in the Masthugget Väst project. The project is being run in co-operation with the Sports and Associations Committee. Along with commercial space, the complex includes a car park and a full-size sports hall. The project is expected to be completed in 2026. Renovation



of Feskekôrkan and Dicksonska Palatset was completed during the year. The company has continued to work on projects such as Nya Magasin, which includes storage facilities for several of the City's museums, and the remodelling and extension of the Museum of Art, and has started construction of a new recycling facility in Högsbo.

During the year, Göteborgs Stads Parkering AB began work on the car park section of the Masthugget Väst project.

Älvstranden Utveckling AB has continued to invest in several ongoing urban development projects. Implementation of the Halvön peninsula project at Masthuggskajen continued during the year. The implementation period for the project as a whole was previously estimated at ten years with an original completion date of 2028. Construction of both neighbourhoods and public spaces has been delayed for various reasons. As it stands, the estimated completion date for the project is 2032. The company has signed a supplementary agreement with the Land Development Committee for the project, providing for a 50/50 split of the index cost.

The Housing cluster (Framtiden Group) reports investments of SEK 3.3 billion for the year, which is lower than budget, but about SEK 1.3 billion more than the previous year. The outcome for 2024 includes the acquisition of building rights in Karlstad for just over SEK 1 billion,

which was not included in the budget. The budget deviation, excluding the acquisition of building rights in Karlstad, is just under SEK 1.0 billion, which is mainly down to time delays in a number of projects.

Investments from the Tourism, Culture and Events cluster (Gothenburg & Co Group) of SEK 518 million are just over SEK 40 million lower than the budget and just under SEK 500 million lower than the previous year. Most of the investments are within Liseberg AB. During the year, Got Event AB made investments at Ullevi, Gamla Ullevi and Bravida Arena totalling SEK 82 million, which is in line with the budget.

Göteborgs Stads Leasing AB invests in financial and operating leases. Investments for the year totalled SEK 941 million, which is just under SEK 250 million higher than the budget and in line with the previous year. The operating leases mainly relate to vehicles and machinery used in the City's services. The financial leases mainly relate to the City's IT and other equipment as well as the M31 and M32 trams and audits on them.

The Renova Group's investments during the year totalled SEK 236 million, which is around SEK 65 million lower than budget. The majority of Renova AB's projects are maintenance investments in existing facilities. The construction of a new vehicle workshop was also completed during the year. The project started in 2021.

Selected investment and development projects

A number of selected investment and development projects from the project portfolios of the committees and the boards of municipal companies are presented below. The selection is based on projects and initiatives that have had investment decisions or equivalent passed at City Council level and have entered an implementation phase. The presentation changes as individual

decisions are dealt with at City Council level and as projects are completed during the current year. The figures in brackets are the project costs on which the investment decision is based. For projects with a fixed price level, both the outcome and the forecast are reported at the same level as the approved project budget.

Selected investment and development projects

Amounts in MSEK	CC decision		Cumulative outcome		Total project forecast		Project budget		Ending year
I=Income E=Expenditure	I	E	I	E	I	E	I	E	
Investments									
Investments, committees									
Hising Bridge (2009)	1,589	-3,000	1,589	-3,000	1,566	-3,600			2021
Kvilleleden and streets in Backaplan (2016)	79	-172	318	-768	318	-768			2030
Korsvägen junction (2017)	63	-63	746	-860	746	-860			2031
Urban development, Haga station (2017)	1	-98	0	-660	0	-660			2032
Engelbrektslänken link (2019)	18	-45	138	-260	138	-260			2026
City bus Backastråket line (2016)	54	64	300	-400	300	-400			2027
Tram and city bus Frihamnen-Lindholmen (2020)	205	-340	525	-700	525	-700			2025
Tram and city bus Brunnsbo-Hjalmar Brantingsplatsen (2019)	39	-31	332	-442	332	-442			2029
Torslanda cross-link (2022)	0	-20	0	-234	0	-234			2028
New barrier (Ultrafilter) Alelyckan water treatment plant (2022)	0	-446	0	-720	0	-900			2026
Björlanda pump chain (2022)	0	-228	0	-229	0	-350			2025
Technical water (2022)	0	-460	0	-475	0	-500			2025
Jubileumsparken phase 1, part of the Frihamnen harbour development (2018)	0	-224	0	-225	0	-347			2024
Eriksbo school (2023)	0	-13	0	-362	0	-368			2027
Skra Bro, care and nursing home (2024)	0	-15	0	-324	0	-329			2027
Dalheimers hus (2024)	0	-38	0	-451	0	-464			2028
Investments Stadshus									
Göteborg Energi: Rya biomass CHP plant (2022)	0	-1,026	0	-2,530	0	-2,650			2027
Göteborg Energi: Riskulla pellet boiler (ongoing)	0	-252	0	-852	0	-852			2027
Higab: Warehouse for Cultural Affairs Committee (2020)	0	-21	0	-540	0	-540			2026
Higab: Museum of Art renovation and extension (2023)	0	-9	0	-800	0	-800			2031

Amounts in MSEK	CC decision	Cumulative outcome		Total project forecast		Project budget		Ending year
I=Income E=Expenditure		I	E	I	E	I	E	
Liseberg: anniversary project Oceana water park (ongoing)		0	-1,183	0	-1,282	0	-1,240	2027
Port of Gothenburg: Terminal relocation and Arendal 2 development (ongoing)		0	-1,332	0	-2,813	0	-2,976	2028
Port of Gothenburg: Skandiaporten (2017)		21	-402	21	-1,255	0	-1,255	2028
Developments								
Järnvågsgatan/Masthuggskajen Land Development Committee (2017)		957	-921	1,787	-2,180	1,750	-2,180	2031
Järnvågsgatan/Masthuggskajen Älvstranden development (2017)		1,445	-843	1,600	-1,630	1,600	-1,630	2031
Per Dubbsgatan (2019)		6	-64	202	-311	248	-302	2037

The comments below focus on projects that have been added or revised as a result of new decisions during the year and on investments where there have been material changes from previous reports. The annual reports of the committees and the boards of municipal companies provide in-depth comments and present any further projects of a significant nature.

The City's projects round the station areas for the entrances to the West Link (Västlänken) at Korsvägen and Haga do not report any change in the implementation schedules, but there are continued uncertainties around the progress of the West Link and the completion of the station sites. In 2024, the City has decided to cancel the planned underground bicycle parking adjacent to Haga station, and work to dissolve existing agreements began during the year.

The investments in Kvilleleden and streets in Backaplan are being planned and implemented in close co-operation with the Swedish Transport Administration. Further delays in implementation are reported for the project, but following earlier rescheduling, the procurement and contract award process was completed in the autumn and preparatory work for construction has now started. In addition to the City's commitment to municipal infrastructure, the overall agreement includes co-financing for measures relating to state infrastructure. The co-financing was charged to the City's earnings when the initial co-financing agreement was signed.

At present, the outcome and forecast for the Centenary Park (Jubileumsparken) relate only

to the tax-financed parts of the budgeted project scope. The total budget also includes the measures initially planned to handle the development-financed elements which have since been put on hold pending future development of the Free Port (Frihamnen). The new spa in the park was opened during the year.

Expansion of the pipeline for the future supply of technical water to NOVO's battery production facility was completed during the year, in accordance with contracts and agreements signed earlier. The City is following the development of the battery factory site very closely.

During the year, the City Council decided to implement a number of major investments in premises for municipal services. Skra Bro nursing and care home contains 79 apartments plus communal and staff areas and is identified as a special climate budget project in accordance with the City Property Committee's climate goals. The Dalheimers Hus centre for disabled people will undergo significant reinvestment and renovation in order to better meet the needs of its activities and the latest technical requirements. Construction of the new Eriksbo school F-6 was approved during the year. The demolition of the existing school was completed in spring 2024 and construction is planned to start in early 2025, with completion and commissioning in the spring term of 2027. During the year, the City Council also approved a project to renovate, extend and build onto Lundenskolan school F-9, to enable the capacity of the existing school to be expanded.

The project intends to report back on an ongoing basis from 2025 onwards.

In early 2024, the City Council endorsed Göteborg Energi AB's plans for the expansion of recycled and renewable district heating production in Riskulla in Mölndal municipality. The company decided later in the year to implement the programme in line with the strategy decision. The purpose of the plant is to strengthen the southern parts of the district heating network, where urban development will produce significant added demand for heat by 2040.

In February 2024, a major fire broke out during the construction of the Oceana water park, and the board of directors of Liseberg AB decided during the summer that the project should be completed. The currently reported accumulated outcome and project forecast refer only to Liseberg's share of the project cost after the insurance claim has been paid as expected. It therefore differs from what is entered in the accounts. The difference between the current forecast and the initial budget relates mainly to the changes made in connection with the reconstruction of Oceana after the fire.

The reporting on Göteborg Hamn AB's terminal relocation and development of Arendal 2 covers all completed and ongoing sub-projects

that were reviewed by the City Council back in 2022 and where the City Council supported an expanded investment volume in 2023. The Skandiaporten investment includes the Port of Gothenburg's quayside measures linked to the deepening of the fairway. The City Council endorsed the Board's proposal for an investment commitment already in 2020. The project has now entered a clearer implementation phase as all approvals have been obtained, including an environmental ruling and clarification on the question of state aid at the EU level.

In spring 2024, the City Council decided to increase the total project budget for the urban development at Järnvägsgatan/Masthuggs kajen to a total of SEK 2.34 billion. The revision was approved in order to maintain the desired quality, particularly to enable a ferry berth for public transport and maintain the connection to the water in the area. From the 2024 annual accounts onwards, the ongoing monitoring has switched to reporting the commitments and finances of the Land Development committee and Älvstranden Utveckling AB separately, in accordance with the split presented in connection with the City Council's revised implementation decision. The outcome, forecast and budget therefore include internal transactions between the company and the administration.



Foundations

The City of Gothenburg manages affiliated grant-making foundations and gifts for various purposes. The responsibility for management includes capital management of the foundations' assets, as well as day-to-day management of the foundations and the distribution of funds based on the purposes stipulated by the donors.

The foundations' capital is kept in a jointly managed fund, in which each foundation has a share. The capital is completely separate from the City of Gothenburg's finances. Capital management is based on the City Council's investment guidelines and the day-to-day management of the affiliated foundations follows guidelines approved by the

City Executive Board. The total return, after deduction of capitalisation and management costs, can be used by the foundations to issue dividends. This will be supplemented by the non-restricted equity that is already available in the gifts and some of the foundations.

Amounts in MSEK	2024	2023	2022
Number of foundations	72	72	74
Number of gifts	2	2	2
Net earnings for the year	72.4	93.0	3.4
Approved grants	54.0	36.9	32.3
Management costs	3.1	3.1	2.6
Equity and liabilities	1,242	1,212	1,153
Market value, wealth	1,338	1,267	1,153

The education foundations have provided scholarships and travel grants to students and teachers, mainly in municipal primary and secondary schools. Pupils have also received prizes for good academic performance and other achievements, and schools have been granted financial support for various class activities. These foundations awarded a total of SEK 12.3 million.

Foundations with a social focus have granted funds to adults and young families who are in financial need in Gothenburg, as well as to families with children with special needs. These foundations awarded a total of SEK 10.1 million.

Foundations with a cultural focus have purchased artefacts for the Museum of Art, the Röhsska Museum, the City Museum and the

Maritime Museum, and have financed conservation work, exhibitions, research, etc. Money has also been granted to enhance and beautify the city. These foundations awarded a total of SEK 21.1 million.

During the year foundations awarded money to associations and other voluntary organisations for various projects and activities. Activities were organised for children in Gothenburg and for public interest, cultural and charitable causes that benefit the Gothenburg community. These foundations awarded a total of SEK 10.5 million.

4

The City Council's goals

This section assesses the prospects of achieving the goals set out in the City Council's budget within the mandate period. The budgetary goals can be largely linked to related goals and strategies in City-wide governing documents relating to planning. The assessment of goal attainment is primarily based on the ongoing monitoring of these programmes and plans. It also takes account of assessments and analyses in official appraisals, reporting by committees and boards, and expected developments.

The City Council's goals

- 126** Gothenburg will be an equal and safe city where all residents are given influence and opportunities to participate
- 129** Segregation in Gothenburg will be broken down
- 131** Gothenburg will manage the supply of skills
- 132** Gothenburg to be developed into a green and vibrant city with no housing shortage
- 134** Gothenburg will be a leader in the climate transition and have a high level of biodiversity
- 136** The City of Gothenburg will have a welfare system that meets the needs of its citizens
- 138** The City of Gothenburg will provide its employees with a good working environment and good working conditions

The City Council's goals

The City Council has set seven overarching goals for the City's policy direction. They apply to the whole of the mandate period and the aim is to meet them as soon as possible. The goals are translated into actions by committees and boards and adapted to their specific activities.

This section assesses the prospects of achieving the goals set out in the City Council's budget within the mandate period. The budgetary goals can be largely linked to related goals and strategies in City-wide governing documents relating to planning. The assessment of goal attainment is primarily based on the ongoing monitoring of these programmes and plans. It also takes account of assessments and analyses in official appraisals, reporting by committees and boards, and expected developments. The assessments are based on three different levels and are defined as follows:

» **Likely to be achieved.** The goal has already been achieved or is expected to be achieved if current trends continue and planned initiatives are implemented.

» **Possible to achieve.** The target is deemed to be achievable despite current trends, if planned measures have the intended effect and the global environment remains favourable.

» **Unlikely to be achieved.** The goal is not deemed to be achievable with the current trajectory. It requires changes in the global environment and/or major adjustments in how the City of Gothenburg operates.

The City's committees and boards have been asked to briefly describe how they have addressed each goal and what developments they see in their own operations. A brief summary of general patterns is given under each goal assessment.



Gothenburg should be an equal and safe city where all residents are given influence and opportunities to participate

Assessment by the City of Gothenburg Executive Office

The goal is considered **unlikely** to be met.

Under the City of Gothenburg's programme for an equal city, a third equality report was produced in 2023 to show how equality and health in Gothenburg have developed over time. It concludes that most of the differences identified in the first report from 2014 are still there and that, in many areas, the differences have increased rather than decreased.

In December 2024, the City Council decided to adopt the *City of Gothenburg programme for equal living conditions and equal health 2025–2030*. The new programme replaces the Urban Equality Programme and the Public Health Programme. The programme is based on the premise that equality in living conditions and health is essential for a socially sustainable society, where everyone's resources are harnessed for social and economic development. The focus is on children and young people, and on strengthening the work for groups in the city that are hard to reach and have great needs. Implementation of the programme has started and is being coordinated by the City of Gothenburg Executive Office.

The City is working on methods and tools to strengthen the social perspective in urban development, in strategic and tactical planning, and in the land planning and development process. For example, the development administration and the urban planning administration have carried out a feasibility study with the aim of analysing and making proposals for how the social administrations and the urban development administrations can cooperate more effectively in order to utilise and integrate the city's collective knowledge and experience of the social perspective on urban development. The findings from the feasibility study will be taken forward in 2025.

The overall objective of the Children's Rights Plan is to strengthen children's rights through systematic and inclusive work. The plan focuses

on the conditions that need to be in place to strengthen children's rights in all areas of activity. The latest status report on the City's work on children's rights from 2023 showed that the services whose main target group is children are actively working and moving forward in line with the Children's Rights Plan. This work was aligned with the actions and focus areas set out in the Plan. More reports than before pointed to progress in the work following from continued methodological development and showed that collaboration between various internal and external actors strengthened children's rights. However, the gap between those that target children directly and those that do so only indirectly has grown in terms of actively addressing the issues. Work in children's rights work takes a higher priority among those working on issues that more directly affect children and young people. The level of knowledge remains low in several administrations and companies regarding the impact of their activities on children and their living environments.

The City of Gothenburg's Security Improvement and Crime Prevention programme is designed to establish the groundwork for structured short- and long-term initiatives that respond to societal trends. These coordinated initiatives are evidence-based and address current issues and challenges. An overall analysis of the achievement of the programme goals based on indicators and a central situation report is presented to the City Council each year.

The report on *Crime and insecurity in Gothenburg 2024* shows that the level of crime is decreasing but that the crimes themselves have become more serious. Criminal networks and their activities are a major concern. Benefit crime and racism and hate crime are growing problems. Perceived safety and trust in others have remained relatively stable in recent years.

The results of the Framtiden Group's tenant survey for 2024 show a positive movement of tenant scores when it comes to perceived safety. Perceived safety increased in all parts of the city, but improved most in the Group's development areas. Residents in Bergsjön, Biskopsgården, Hammarkullen, Hjällbo, Lövgärdet and Tynnered

now feel safer than the average for the whole of the Group's portfolio in Gothenburg.

The City of Gothenburg's programme for full participation for people with disabilities 2021-2026 contains ten rights areas, several of which are directly linked to this goal. *The Right to information and communication, the Right to democratic participation, and the Right to work and employment* are all areas that aim to empower and enable participation.

In his latest annual report, the Disability Ombudsman follows up on the implementation of the *Right to information and communication*. It notes that the information on the City's web pages is highly customised and accessible. This applies to goteborg.se and the information from the administrations, but there are still shortcomings in some companies' provision of information. When it comes to digital services and contact channels, things are moving fast and are simplifying contact with the Municipality for most people. However, persons with disabilities, their families and user organisations report that digital systems, pathways and support are not yet fully inclusive and accessible to all. Older residents have also described in various ways how digital solutions and systems can sometimes be a direct obstacle for the individual. The Disability Ombudsman notes that several services need to ensure that digital developments also include persons with disabilities.

Many administrations and companies are testing and developing new forms of user and citizen involvement. This work is often done in collaboration with Democracy and Citizen Services, which assists the City in creating conditions for participation and influence through the basic remit of the committees. In 2024, Democracy and Citizen Services launched a new Citizen

Engagement Handbook and conducted several training sessions on civic dialogue. The "Gothenburg suggestion" process has been developed as a tool to include more residents in the City of Gothenburg's decision-making processes, and it has led to more suggestions being received from young people, the elderly and residents in areas that were previously less involved. At the request of the City Council, targeted actions were addressed to groups and areas where voter turnout has traditionally been low in elections to the European Parliament. The initiative is felt to have contributed to a more consistent turnout.

The City of Gothenburg Executive Office has noted that a long-term effort is under way in the city which has the potential to produce good results in the long term, but considers it unlikely that the target will be achieved within the mandate period.

Management by committees and boards

The following recurring examples can be found in the reports from the committees and boards on how the goal has been implemented in practice:

- » Collaboration and networking within and outside the City organisation.
- » Development of urban development processes and integration of the social perspective.
- » Long-term promotion and prevention.
- » Safety and security measures for employees, users and visitors.
- » Development of mechanisms for feedback and co-determination, dialogue concepts, new digital services and other forms of user involvement and participation.



Segregation in Gothenburg will be broken down

Assessment by the City of Gothenburg Executive Office

The goal is considered **unlikely** to be met.

The City of Gothenburg Executive Office drives, coordinates and supports the City's efforts to combat segregation. It is based on the premise that segregation is a bad thing if it causes unequal access to resources, which affects people's life chances and is detrimental to social cohesion. The analysis and dialogue show that there are many activities going on at the operational level that are helping to offset the negative effects of segregation. The City of Gothenburg Executive Office is therefore focusing on long-term structural change to break the trends that lead to segregation.

Through dialogue with the management of administrations and municipal companies and in the City's leadership forum, areas have been identified where the City can work together to break down segregation. These are socially sustainable urban planning and housing, neighbourhood cooperation, equality in education, access to work, work to combat discrimination and opportunities to meet.

In December, the *City of Gothenburg programme for equal living conditions and equal health 2024–2030* was adopted by the City Council. The fourth focus area of the programme: *Housing and living environment* contains objectives and strategies aimed at ending segregation. Implementation of the programme has started and is being coordinated by the City of Gothenburg Executive Office.

In the *Equality Report 2023*, two different measures produced by the National Board of Housing, Building and Planning and Statistics Sweden were used to measure and analyse segregation. The Inequality Index is a measure of differences in settlement patterns between different socio-economic groups and measures the degree of segregation. Another way to analyse segregation is to look at areas with different socio-economic profiles – the proportion of people living in areas with big socio-economic

challenges. The report states that, on these two measures, segregation in Gothenburg decreased from when measurement started in 2012 until 2018 and then increased slightly again. Since the report was produced, new data has been presented and Gothenburg is now back down to 2018 levels on both measures.

Housing structure is an important component of residential segregation. Through the *City of Gothenburg housing supply programme 2021–2026*, the City is working with market players to enable a varied supply of housing in terms of tenure types, sizes and types of accommodation, as well as price and rent levels to meet different needs and differentiated demand. However, the current economic and interest climate has led to a decline in housing starts in general and reduced interest in building in outlying areas in particular. The *2023 Equality Report* notes that an increased mix of tenure types has been achieved in some parts of the city, but in areas that were already relatively mixed. At the same time, the uneven distribution has increased in some areas where the starting situation was uneven.

The City of Gothenburg's 'Action plan to ensure that no areas are particularly vulnerable by 2025' was adopted by the City Council in October 2023. In light of research and the Swedish government's reform programme to reduce segregation, the action plan identifies four focal areas that need to be strengthened and developed to counteract vulnerability and crime in residential areas: *Conditions in which children and young people to grow up*, *Urban development*, *Basic safety and Security* and *Influence, participation and trust*.

The police presented their latest status report on criminal influence in autumn 2023. In it, the assessment for Biskopsgården has changed as it is no longer identified as a 'particularly vulnerable area', but has dropped to the lower category, 'at-risk area'. Hjällbo also showed a positive trend in terms of exposure to criminal influence, but with no change in category. The next status report will be presented in autumn 2025.

Public housing is an important force in areas with major socio-economic challenges. *The Framtiden Group's 'Strategy for development areas 2020–2030'* describes what the Group proposes to

do to help ensure that no part of the city is on the police list of vulnerable areas.

As part of the “super administration” strategy, efforts are being made to improve security, increase presence, keep areas clean and tidy, and work towards zero tolerance of criminal influences. It also includes the urban development strategy, in which the Group invests in maintenance and renovation as well as new construction in these areas. Several other companies and administrations are participating in this effort.

Framtiden takes stock of the situation each year and assesses the potential for the development areas to achieve the goal of not being particularly vulnerable by 2025. This year’s status report shows no changes compared to the previous year. For Biskopsgården and Tynnered/Frölunda Torg, the conditions are still judged to be favourable; for Bergsjön, Hjällbo and Lövgärdet they are ‘middling’ average and for Hammarkullen they are ‘difficult’. As in the previous year’s status report, Hammarkullen is also expected to find it hard not to be particularly vulnerable in the longer term (2030). Clearer prioritisation and subsequent strengthening of resources in 2025 are considered to be urgent if the long-term situation in Hammarkullen is to be improved.

As described above, segregation is complex to measure objectively, but there are many analyses

that suggest that it is moving in the right direction, especially in the most vulnerable areas. Management in this area is considered to have good coverage and a number of positive initiatives have been taken in administrations and companies. The increased coordination in this area and the work on the ‘Action plan to ensure that no areas are particularly vulnerable by 2025’ have resulted in increased collaboration and focus. But things are slow to change and the City of Gothenburg Executive Office considers it unlikely that the goal will be achieved within the mandate period.

Management by committees and boards

The following recurring examples can be found in the reports from the committees and boards on how the goal has been implemented in practice:

- » Active recruitment aiming at diversity in the workforce and hiring people who are remote from the labour market.
- » Language development for employees.
- » Internships, work experience, holiday jobs – targeted at vulnerable areas.
- » More accessible information – in other languages and in plain language.



Gothenburg will manage the supply of skills

Assessment by the City of Gothenburg Executive Office

The goal is considered to be **achievable**.

In February 2024, the City Council approved the *City of Gothenburg plan for skills provision 2024–2026*. The aim of the plan is to develop a common approach for the City to cover the future staffing needs of the welfare services in particular. The background to this is the demographic trend whereby the proportion of older people is increasing while the labour force is shrinking. The plan states that the skills shortage will be addressed through efforts to retain staff, rethink ways of working and develop the service, and ensure the long-term availability of staff. The plan covers all of the City's committees and boards and contains five focus areas that call for specific activities to achieve the goal. All five focus areas relate to the City Council goal.

A first follow-up of the plan was carried out for the interim report in August 2024. The follow-up is part of an annual inventory of the skills provision needs of each committee and board, where they identify their need for skills today and assess the need five years into the future. In the follow-up, 20 out of 24 committees and about half of the boards stated that they were currently experiencing difficulties in securing the necessary skills. The welfare committees reported a need for a large volume of recruitment, while other committees have difficulties with a few specialised roles. In the company sector, the situation is largely unchanged compared with the previous year. The committees that are currently experiencing difficulties also say that they expect to have difficulties in the long term.

Although many committees and board report continued difficulties in securing skills, there was some improvement in 2024. The economic situation and the current economic climate have led to a reduced propensity to change jobs both among the City's employees and for other workers in the region, so staff turnover has decreased. For example, the ability to recruit nurses improved during

the year, leading to a reduction in agency staff in favour of more permanent nurses. The regional Social Welfare committees have made progress as they have managed to hire more experienced staff with the right skills.

In autumn 2024, a follow-up exercise was also carried out on how the committees and boards had implemented the plan and its activities in their operations. The follow-up shows that most have implemented the City's plan in their own skills provision plans. Most of the activities are expected to be completed by 2025, i.e. one year before the end of the planning period. There are activities in the plan where specific committees have been given joint responsibility, but where the follow-up shows that the co-operation between committees with joint responsibility can be improved. All in all, the follow-up shows that the skills provision plan has been implemented in the work of the administrations and companies and that the work is progressing according to plan.

From the results of the City Executive Board's coordinating work under the *City of Gothenburg skills provision plan*, the City of Gothenburg Executive Office believes that the goal can be achieved within the mandate period. A pre-requisite is to increase co-operation between administrations with shared responsibilities. Goal attainment is also dependent on demographic developments and on what happens in the labour market in general.

Management by committees and boards

The following recurring examples can be found in the reports from the committees and boards on how the goal has been implemented in practice:

- » Work under the *City of Gothenburg skills provision plan*.
- » The committees highlight the work with their own skills provision plans.
- » The municipal companies use a lot of interns, trainees and internal training.

Gothenburg will be developed into a green and vibrant city with no housing shortage

Assessment by the City of Gothenburg Executive Office

The goal is considered to be **achievable**.

The masterplan for Gothenburg was adopted by the City Council in May 2022 and states that Gothenburg will develop into a close, cohesive and robust city. It will provide easy access to everyday needs and enable more people to get around on foot or by bike. A city with a well-connected street network and inclusive public spaces brings people together and creates better conditions for equal life chances. A robust city has the resilience and adaptability to face challenges and crises while ensuring that residents have trust in each other and in the functioning of society.

The Environment and Climate Programme was followed up in 2023, where the sub-goal of providing access to green spaces and utilising ecosystem services is specifically linked to the City Council's goal. The follow-up found that access to green spaces is unevenly distributed across Gothenburg and insufficient in many areas, especially in the city centre. The city was found to have governing documents and practices that favour the development of green spaces and ecosystem services, but high competition for land as the city becomes more built-up means that the intentions in the governing documents often take a back seat to other interests. The sub-goals was considered to be achievable if green issues are prioritised and valued more in urban development, and existing green spaces are protected and developed.

One of the action areas in *The City of Gothenburg climate adaptation plan for 2024–2026: the City as an urban development organisation*, includes measures to strengthen blue-green-grey systems and structures in the long-term adaptation of the city. This action area covers the urban development committees in the planning and management stages, along with the work of the Eco-cycle and Water Committee and the Environment and Climate Committee on stormwater and

water-related issues. This includes conserving and developing green infrastructure and nature-based solutions to prevent problems and increase urban resilience. One measure in the area is to work with property owners and businesses to preserve existing and create new green structures in public spaces.

The purpose of the new organisation within the urban development area, which came into force in January 2023, was to create a more coherent urban development process in the planning, implementation and management of the city. A number of developments are under way to realise the potential and provide for more coherent urban development. An important step has been the introduction of a common planning and development process (PLEX) in the urban development committees. Through PLEX, urban development projects are implemented in a clear flow through the whole process, from idea to finished site. In 2024, the PLEX process was implemented in different stages for both new and ongoing projects, and the main development work is finalised. Work is also under way in collaboration with other committees to strengthen the social perspective and the role of culture in urban development, in strategic and tactical planning and in the planning and development process.

The City of Gothenburg's programme for housing provision estimates that between 4,000 and 5,000 homes will need to be built each year out to 2030 to meet future needs and reduce the housing shortage. In 2021–2023, these levels were exceeded, but the changed economic and interest situation led to a sharp slowdown in housing starts in 2023. At that time, work started on 2,900 homes, half of the rate for the last five years. In 2024, the number of housing starts fell further; 1,384 homes were started, of which 1,276 were new builds. This is the lowest number since 2009, after the financial crisis, and before that the 1990s. In 2024, 3,696 homes were completed, of which 3,573 were new builds. The reduced number of housing starts will result in a smaller number of completions in the coming years and have consequences for the housing situation in Gothenburg.

It should be added that the assessment of future housing needs in the programme for housing provision is based on higher expected population growth than has been the case. Covid-19, unexpectedly low birth rates and changes in migration have meant that in the population forecast for 2024, around 15,000 fewer people are expected to be living in Gothenburg in 2030 than was forecast before the pandemic.

The City's annual homelessness survey reports the lowest number of homeless people since measurements began in 2015. In total, 2,169 households were estimated to be homeless, including 2,400 adults and 800 children. The definition covers a wide range of homelessness situations, from people living outdoors or in public spaces to households living in apartments with municipal contracts that can be transferred to their own lease. 263 households were judged to be in acute homelessness, where they are referred to emergency or temporary accommodation, sheltered housing or similar. This also includes people sleeping in public places, outdoors, etc.

In a broad partnership with relevant services in the City and external stakeholders, the Land Development Committee has drawn up proposals for a new plan to deal with homelessness. The draft of the *City of Gothenburg's plan against homelessness for 2025–2026* is based on the Government's 'National strategy to combat homelessness

2022–2026', with the goals of reducing homelessness and preventing families with children from being evicted. After amendments based on the consultation responses received, the plan was approved by the Land Development Committee in October and will be adopted by the City Council in spring 2025.

Overall, the City of Gothenburg Executive Office judges that there is clear long-term management in line with the budgetary target. In many cases, these are recently adopted documents where strategies and actions are still in a start-up phase but have great potential for positive development. More coherent urban development can be expected to help realise the Council's ambitions. Engagement and willingness to collaborate are judged to be high in administrations and municipal companies, and provided that the economy picks up again, the target is deemed to be achievable.

Management by committees and boards

The following recurring examples can be found in the reports from the committees and boards on how the goal has been implemented in practice:

- » Developing urban development processes and integrating the social and cultural environment perspectives.

Photo: Krister Engström/Familjebostäder



Gothenburg will be a leader in the climate transition and have a high level of biodiversity

Assessment by the City of Gothenburg Executive Office

The goal is considered **unlikely** to be met.

The City of Gothenburg's environmental and climate programme includes the goal *Gothenburg's carbon footprint should be close to zero*, which means that emissions within the geographical area of Gothenburg must be reduced by at least 10.3 per cent per year and consumption-based emissions by at least 7.6 per cent per year by 2030. The City of Gothenburg will reduce its own emissions at a faster pace and use all available tools and instruments to also drive the wider transition too.

The first follow-up of the programme was carried out in 2023 and the trend for the goal is judged to be positive, but the pace is not sufficient for the goal to be achieved. Efforts to reduce climate impact are being made in various areas, but the overall progress is slower than the programme's ambitions. Systemic change is needed with new ways of prioritising, interacting and addressing needs across the public sector, business and households. The City of Gothenburg needs to continue to develop governance, division of responsibilities and collaboration models to drive the necessary systemic change. The City of Gothenburg's control over consumption-based and geographical emissions is limited.

The City of Gothenburg's environment and climate programme includes the goal *Gothenburg has high biodiversity*, which mandates that by 2030, Gothenburg will have ample expanses of natural and properly managed habitats to conserve the species found in the Municipality and facilitate development of ecosystem services.

In the 2023 follow-up, the trend for the goal is judged to be generally negative. Initiatives are under way to promote biodiversity in green spaces and aquatic environments, both within and outside the urban environment, but current approaches and priorities within the City of Gothenburg are not considered compatible with what is needed to achieve the goal. Development of green spaces is seen as an obstacle to attain-

ment of the goal. Improved work practices and greater prioritisation of biodiversity and aquatic issues are essential in planning and development, nature protection and management, and procurement processes.

In May 2024, the City Council adopted the *City of Gothenburg Climate Adaptation Plan 2024-2026*. As greenhouse gas emissions have not been reduced as quickly to prevent a warmer climate, adaptation efforts need to run in parallel with transition efforts. The plan includes measures with a slightly different purpose which also contribute to climate change mitigation and biodiversity. For example, the plan identifies the need for more greenery as a way to bring down temperatures and climate-proof the urban environment.

A number of ongoing assignments passed down from the City Council to the committees and boards are expected to lead to lower energy consumption and reduced climate impact. Committees and boards are actively working on issues such as energy efficiency, electrification and circular solutions.

The City's climate transition efforts are partly financed by loans, mainly through green bonds. The City of Gothenburg had SEK 32.6 billion in outstanding green bonds in 2024, making it the leader in Sweden's municipal and regional segment in terms of volume. Among other things, green bonds finance projects to increase biodiversity through things like tree planting, stormwater ponds and the Torsviken lake bird reserve.

The City's committees and boards are working actively and more intensively on climate issues at an early stage of urban development, there are prospects of achieving the goal in the longer term. However, the City Executive Office considers it unlikely that the goal will be achieved within the mandate period.

Management by committees and boards

The following recurring examples can be found in the reports from the committees and boards on how the goal has been implemented in practice:

- » Work within the *City of Gothenburg's environmental and climate programme*, the environmental management system and the environmental administration's supporting audits.

- » Further reduction of the environmental impact of travel, energy use, vehicles, purchasing and procurement by the administration or company.
- » Installation of solar panels.
- » Circular solutions and reuse.



The City of Gothenburg will have a welfare system that meets the needs of its citizens

Assessment by the City of Gothenburg Executive Office

The goal is considered to be **achievable**.

The way in which welfare needs are met, including economic and social security and good health, is largely governed by legislation. A welfare system that meets people's needs depends on access to adequate facilities and staff with the right skills.

Adapted and accessible premises are a prerequisite for providing education and childcare, and housing for the elderly and for people with different types of disabilities. The City of Gothenburg's plan for the provision of premises provides the City Executive Board with an annual overall analysis and assessment of the City's planning in this area and the associated needs and challenges. The 2025 plan for the provision of premises highlights demographic trends and new requirements for civil preparedness and climate adaptation as challenges. Population forecasts have been gradually revised downwards for children and young people for several years, which affects the planning of places in pre-school, primary and secondary schools. In order to meet a changing security situation and a changing climate, major investments need to be made to protect the City's properties against damage and ensure that essential activities can continue even during crises and extreme weather.

In the field of education, there is currently a surplus of premises overall, while in some areas there is a localised shortage. The premises are not always available where they are needed. For special-needs primary and secondary schooling, there is under-capacity throughout the city.

In the area of disabled support, there is a continued need for homes with specialised service (BmSS). During the year, several new investment projects were postponed, which means that the urban property administration was not able to deliver any BmSS places through new investment in 2024. In the rental sector, 40 places were delivered, but these flats do not

match the main target group of users who are waiting for accommodation. During the year, the Committee for Disability Support strengthened its preventive work with information about the support people can receive in ordinary housing, in order to reduce the need for more extensive housing interventions.

The skills challenges and the growing labour shortage affect the ability to meet future welfare needs. Within the framework of the City of Gothenburg's plan for skills provision, an inventory has been made of the committees' assessment of future skills provision needs. Shortages will mainly arise in the health and social care and education sectors. For the elderly and for the health and social care administration, it has been possible in the current year to hire more nurses and thus meet the need without using agency staff. Trained assistant nurses in the elderly and care administration and support assistants in the disabled support administration are groups that are currently in short supply. It is feared that this shortage will worsen in the future. The education sector lacks teachers with specialised expertise in compulsory schools for children with special needs. Higher requirements for special needs teacher training and an increase in the number of pupils in special schools may lead to difficulties in meeting future needs.

In autumn 2023, the City of Gothenburg Executive Office completed an in-depth follow-up of six plans in the field of human rights. The follow-up concludes that the plans have not had the intended effect. In the follow-up, a number of services state that they prioritise their core assignment over work on specific plans, as plans are felt to fall partly outside their core remit. As the plans are specifically intended to ensure that the different groups are included in the core assignment, these statements suggest that the purpose of the plans has not been understood.

In April 2024, the City Council tasked the City Executive Board with developing a draft guideline for the City's work on human rights. The conclusions from the in-depth follow-up have been addressed in the context of that work. The proposal for the City of Gothenburg's guide-

line for work on human rights and equal service will be submitted to administrations, companies and boards in spring 2025.

In discussions with the pre-school administration, the primary school administration, the elderly and health and care administration and the administration for disabled support, the City of Gothenburg Executive Office has conducted a study that will help to develop contacts with the disabled rights movement so the City's activities can better meet their needs.

The Committee for Democracy and Citizen Services recognises that many households are still struggling financially. However, the sharp increase in the number of people contacting the budget and debt counselling services stopped in 2024. The administration has reduced the time from first contact to a counselling appointment.

The Cultural Affairs Committee has implemented a number of changes in the library

service, and further changes are under way, which together are expected to provide better chances of goal attainment and to prioritise areas with socio-economic challenges.

The City of Gothenburg Executive Office believes that the goal is achievable, but demographic trends and the situation in the labour market are uncertain factors that affect the conditions.

Management by committees and boards

The following recurring examples can be found in the reports from the committees and boards on how the goal has been implemented in practice:

- » Business development, systematic quality work and digitalisation.
- » Ongoing and planned user and customer surveys to better understand needs.



The City of Gothenburg will provide its employees with a good working environment and good working conditions

Assessment by the City of Gothenburg Executive Office

The goal is considered to be **achievable**.

In February 2024, the City Council approved the *City of Gothenburg plan for skills provision 2024–2026*. *Sustainable working life* and *Competitive labour conditions* are two of the five focus areas included in the plan. Within the framework of *Sustainable Working Life*, work is in progress on healthy workplaces and support for administrations and companies in their efforts to take active measures. The City of Gothenburg's employee and manager survey has also been revised and brought forward.

Most workplaces in the City of Gothenburg have an active health, work environment and rehabilitation programme. Since 2023, an annual follow-up of this systematic health and safety management and the work with active measures in accordance with the Anti-Discrimination Act has been carried out for all committees and boards. With regular monitoring and a systematic approach, progress can be tracked and deviations identified. In connection with the March 2024 interim report, it was noted that all committees and boards have systematic work environment management processes, but that the reporting of deviations in the work environment needs to be developed and handled more promptly. Similarly, employees need to have a better understanding of risks at work and how to avoid them. The follow-up also showed that there is a continued need to strengthen knowledge of employers' preventive work to counteract discrimination through active measures. It also showed that several committees are working to strengthen health factors at work, but that this work needs to be improved.

During the mandate period so far, sickness absence has remained relatively constant. In 2024, sickness absence in the Group was 7.8 per cent, essentially unchanged from the same period last

year when it was 7.9 per cent. The conditions vary greatly from one service to another in terms of physical and social working environment, proximity to users, and the scope for teleworking. The City's employee and manager survey shows positive and improved values over the past year. The Sustainable Employee Engagement (SEE) index weighs up sub-indices for employee perceptions of leadership, motivation and management, and it has risen from 78 to 80.

According to Sunarbetsliv, which promotes healthy workplaces and is run jointly by SKR, Sobona (another employers' organisation) and the trade unions, research shows that the size of the work group affects the employees' working environment and the quality of the service. For example, a meta-analysis from the Institute for Stress Medicine in Gothenburg shows that the number of employees per manager affects the managers' work situation and chances of exercising good leadership, the employees' work situation and the service as a whole. In spring 2024, the City Council passed a recommendation for a target of no more than 25 employees per manager in the City of Gothenburg's services. The decision was based on the City Council's mandate to draw up a plan to for a maximum number of employees per manager. In the nine committees concerned, around half of the staff groups are smaller than the recommended benchmark of 25 staff per manager. The report concerns first-line managers and refers to November 2024.

The cross-administration salary survey and in-depth analysis, which the City of Gothenburg Executive Office produces each year, shows that there is a clear difference in salary levels in occupational groups within health, care and to some extent education compared to occupational groups in the technical and administrative sector. In comparison with the private sector in the labour market as a whole, that the salary level in most of the occupational groups in the technical and administrative sector is higher than it is for occupational groups in the health and social care sector even at the national level. For these occupa-

tional groups, the local government sector is not the biggest labour market and the higher levels of pay should therefore be down to market influences. Although the salary survey does not show that there are unfair salary differences between equivalent jobs in the City's administrations, there is a clear need for changes in relative salaries if the City of Gothenburg is to be an attractive and competitive employer with equal pay.

In connection with the 2024 budget, the City Council decided on a revised guideline for employee benefits with a fixed financial value for 2024 of SEK 3,100 per employee, an increase of SEK 1,000. For the administrations, this meant an increase in the wellness allowance from SEK 1,500 to SEK 2,500. The municipal companies, as separate employers, base their benefits on economic value and the majority of them have increased their wellness allowance.

As part of the central wage bargaining round, the agreements on conditions were also renegotiated, which meant, among other things, an increase in special remuneration of 3.3 per cent from 1 April for the Kommunal union and from 28 June for Vårdförbundet. This applies, for example, to compensation for inconvenient working hours, which mainly affects activities in the health and social care sector, but also other

activities involving work in the evenings, at night and at weekends.

The City of Gothenburg Executive Office believes that the goal is achievable. With a plan for skills provision focusing on employees' working environment and competitive working conditions together with several upcoming budget assignments in the area, the goal is judged to be achievable within the mandate period.

Management by committees and boards

The following recurring examples can be found in the reports from the committees and boards on how the goal has been implemented in practice:

- » Employee survey as a basis for actions and follow-up of implemented actions.
- » Supplements to the employee survey, such as heart rate and workload measurements.
- » Work with *Chefoskopet* to review the organisational conditions for managers within the business.
- » Activities to reduce sickness absence.
- » Safety and security of employees.



Auditor's report

Audit report 2024 covering the Board of Directors, committees and consolidated accounts for the City of Gothenburg.

City of Gothenburg, reg.no 212000-1355

We, the auditors appointed by the City Council of the City of Gothenburg, have examined the activities of the Board of Directors, committees for the City of Gothenburg. The activities of the municipal companies controlled by the City of Gothenburg have also been examined by designated lay auditors. The examination has been performed by expert advisors who assist the auditors.

The City Executive Board and Committees are responsible for activities being conducted in an appropriate and financially satisfactory manner, for the accounts and the reporting being true and fair and for the adequacy of the internal control systems.

Our responsibility is to express an opinion on the accounts, the activities and the internal control systems on the basis of our audit. We also assess whether the annual accounts are consistent with the financial and operational goals decided by the City Council.

The examination has been performed in accordance with the Local Government Act and generally accepted auditing standards in municipal activities as well as the City of Gothenburg's audit regulations. The examination has been carried out with the focus and scope required to provide reasonable grounds for assessment and examination of liability.

The results of the audits of the Board and committees are set out in audit reports submitted to the Board and committees. The results of the examination of the companies are shown in a corresponding way in the audit reports and audit accounts submitted to each company. The audit of the accounts and financial statements for the City of Gothenburg, including the consolidated accounts, is covered by a separate auditor's report submitted to the City Executive Board. The

year's examination is summarised in our annual statement, which has been submitted to the City Council.

A criticism was raised in the form of a qualification with respect to the Compulsory School Committee. The reason for this is that, when the supplementary budget was to be allocated, the committee did not also allocate a corresponding increase in resources to the independent principals. This decision is contrary to the Swedish Education Act and Local Government Act. The members who entered reservations against the decision and members who were not in office when the decision was taken are excepted from the criticism.

A criticism was raised in the form of a qualification with respect to the Purchasing and Procurement Committee. The reason for this is that the committee took a decision to boycott goods from certain countries, which is contrary to the Local Government Act. The members who entered reservations against the decision and members who were not in office when the decision was taken are excepted from the criticism.

In other respects, it is our opinion that the Board of Directors and committees of the City of Gothenburg have conducted their activities in an appropriate and financially satisfactory manner, and that the internal control has been adequate.

In our opinion, the accounts provide an essentially fair and accurate picture.

In our opinion, it is not possible to determine whether the results in the annual report are consistent with the operational goals decided by the City Council. The audit shows that the operational goals lack target values, which means that target attainment cannot be judged from the

annual report. In our opinion, the results in the annual accounts are essentially consistent with the financial goals adopted by the City Council.

The auditors shall report their examination of liability of the Board and Committees to the City Council. The assignment of the lay auditors in the companies does not include a standpoint in the matter of liability.

We recommend that the City Council discharge the members of the Board and the committees from liability for the financial year 2024.

We recommend that the annual report for the City of Gothenburg for 2024 be approved.

Gothenburg, 8 April 2025

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